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THE NORTH CAROLINA MEDICAL CARE COMMISSION

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REPORT OF

THE NORTH CAROLINA MEDICAL CARE COMMISSION

FOR THE BIENNIUM JULY 1, 1969 - JUNE 30, 1971

July 1, 1971

The North Carolina Medical Care Commission
437 North Harrington Street
Raleigh, North Carolina

LETTER OF TRANSMITTAL

To His Excellency, ROBERT W. SCOTT
Governor of North Carolina
Raleigh, North Carolina

Sir:

The Medical Care Commission and Advisory Council present herewith the report of the activities of this department for the period July 1, 1969--June 30, 1971, including selected summaries of information covering prior years to indicate the State's overall progress in developing medical facilities and programs since the inauguration of the Commission in 1945.

Respectfully submitted,

EDWIN N. BROWER, SR.
Chairman

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MEMBERS

THE NORTH CAROLINA MEDICAL CARE COMMISSION SERVING DURING THE BIENNIUM 1969-1971

Member	Address	Representation		Term Expiration
Mr. Edwin N. Brower, Sr. Chairman	Hope Mills	At Large		June 30, 1972
Mr. Thomas R. Howerton Vice-Chairman	Durham	N. C. Hospital Association		June 30, 1972
Mrs. Willard O. Abbitt 1/	Williamston	At Large		June 30, 1973
Dr. J. Street Brewer	Roseboro	N. C. Medical Society		June 30, 1973
Mr. Paul W. Bumbarger, Jr.	Hickory	At Large		June 30, 1972
Mr. J. B. Clemence	Salisbury	At Large	#	June 30, 1970
Mr. Eugene Cross, Jr. 2/	Marion	At Large		June 30, 1971
Dr. Rachel D. Davis 3/	Kinston	At Large		June 30, 1973
Mrs. Margaret B. Dolan	Chapel Hill	N. C. Nurses' Association	#	June 30, 1970
Mr. James R. Felts, Jr. 4/	Charlotte	The Duke Endowment		June 30, 1973
Mr. Harry B. Finch 5/	Thomasville	At Large		June 30, 1973
Dr. Powell G. Fox, Sr.	Raleigh	N. C. Medical Society		June 30, 1971
Dr. L. B. Holt 1/	Winston-Salem	At Large		June 30, 1973
Dr. Glenn L. Hooper 6/	Dunn	At Large		June 30, 1973
Mr. Wm. Edwin Horner, Jr. 2/	Sanford	At Large		June 30, 1971
Dr. Harold B. Kernodle	Burlington	At Large		June 30, 1971
Dr. Henry O. Lineberger, Jr.	Raleigh	At Large		June 30, 1971
Mr. H. C. McAllister	Chapel Hill	N. C. Pharmaceutical Assoc.		June 30, 1974
Dr. Hugh F. McManus, Jr.	Raleigh	N. C. Medical Society	#	June 30, 1970
Dr. Wm. Raney Stanford	Durham	At Large		June 30, 1972

EX-OFFICIO MEMBERS

Mr. Clifton M. Craig	Raleigh	State Commissioner of Social Services
Dr. Jacob Koomen	Raleigh	State Health Director

1/ Mrs. Willard O. Abbitt filled unexpired term of Dr. L. B. Holt, who resigned in November, 1970.
2/ Mr. Wm. Edwin Horner, Jr. filled unexpired term of Mr. Eugene Cross, Jr., who resigned in December, 1969.
3/ Dr. Rachel D. Davis succeeded Mr. Carl P. Worley, Jr.
4/ Mr. James R. Felts, Jr. succeeded Mr. Marshall I. Pickens.
5/ Mr. Harry B. Finch succeeded Mr. John C. Whitaker.
6/ Dr. Glenn L. Hooper succeeded Dr. Paul F. Whitaker.

Term of member continues until reappointment or replacement is made by the Governor.

MEMBERS

STATE ADVISORY COUNCIL

Serving During the Biennium 1969-1971

Member	Address	Term Expiration
Mrs. Rudolph F. Allen 1/	Clayton	June 30, 1973
Dr. W. T. Armstrong 2/	Rocky Mount	June 30, 1973
Mr. Charles A. Cannon 5/	Concord	June 30, 1969
Mrs. Jennings M. Davenport 3/	Creswell	June 30, 1973
Dr. W. Ralph Deaton, Jr. 1/	Greensboro	June 30, 1969
Mrs. Carrie T. Phelps 3/	Creswell	June 30, 1969
Mrs. Lawrence Pollock 4/	Trenton	June 30, 1973
Mr. James P. Richardson 4/	Charlotte	June 30, 1969
Mr. B. M. Wright 5/	Germanton	June 30, 1973

1/ Mrs. Rudolph F. Allen succeeded Dr. W. Ralph Deaton, Jr. in December, 1970

2/ Dr. W. T. Armstrong was reappointed in 1969.

3/ Mrs. Jennings M. Davenport succeeded Mrs. Carrie T. Phelps in December, 1970.

4/ Mrs. Lawrence Pollock succeeded Mr. James P. Richardson in December, 1970.

5/ Mr. B. M. Wright succeeded Mr. Charles A. Cannon in December, 1970.

ADMINISTRATIVE STAFF

June 30, 1971

Name	Position
William F. Henderson	Executive Secretary
I. O. Wilkerson, Jr.	Assistant Executive Secretary
O. Wade Avant, Jr.	Hospital Consultant
Mrs. Kathryn H. Bradley	Hospital Nursing Consultant
Charles M. Evans	Hospital Radiation Protection Inspector
Helen N. Flythe	Hospital Nursing Consultant
Ruth W. Hathaway	Statistical Officer
Ray F. Lefler	Hospital Consultant
Madra F. Nelson	Assistant Student Loan Administrator
A. C. Penny	Comptroller
Mrs. Janet M. Proctor	Student Loan Administrator
C. W. Sanders, Jr.	Hospital Consultant
Raymond C. Sawyer	Consulting Architect
John W. Sherman	Consulting Engineer
June Sherrill	Medical Record Consultant
Mrs. Carolyn F. Sutton	Budget Assistant
Conrad M. Taylor	Consulting Architect
Donald M. Watson	Consulting Engineer
Mrs. Margaret J. Woodcock	Project Coordinator and Information Officer
Bernard Young	Hospital Consultant

SECRETARIAL STAFF

Mrs. Pamela B. Cordell
Mrs. Joyce B. Lee
Mrs. Emogene K. Massey
Mrs. Elsie C. Olmstead
Mrs. Linda R. Parker

A BROAD LOOK AT THE COMMISSION AND ITS PURPOSE

1969-1971: An Overview

The challenges of the 1969-1971 biennium effected substantial changes in the programs of the Medical Care Commission. As the State agency specializing in the financing and construction of medical facilities, the Commission was faced with the continuing needs for modernization and expansion of the State's hospitals, and also with diminishing Federal grants. Thus, even more than in previous years, the Commission encouraged economy and consolidation in construction projects. Also, the Commission assumed new responsibilities in administering State and Federal programs designed to generate more capital for construction in lieu of grant money. Finally, as the poor distribution of health manpower continued to threaten North Carolina's medical programs, the Commission dramatically expanded its program of educational loans in medical and related fields.

Composition of the Commission

The Commission consists of twenty members. Three are nominated by the State Medical Society, one by the State Pharmaceutical Association, one by the North Carolina State Nurses' Association, one by the State Hospital Association, and one by The Duke Endowment. These nominations are subject to the approval of the Governor. In addition, eleven members, one of which by law must be a dentist, are appointed by the Governor directly so as to represent fairly agriculture, industry, labor and other appropriate consumer interests and groups in North Carolina. The State Health Director and the State Commissioner of Social Services are ex-officio members. The Commission regularly meets each quarter, and additional meetings are held when necessary.

Pursuant to Federal requirements, the Governor appoints a State Advisory Council composed of five members to advise with the Commission on technical matters relating especially to the planning and construction of medical facilities. The Council meets regularly with the Commission.

Major Programs

During the biennium, the primary responsibilities of the Commission were:

A. The planning and construction of hospitals, public health and mental health centers, diagnostic and treatment facilities for ambulatory patients, long-term chronic and convalescent extended care facilities including nursing homes, facilities for the mentally retarded and rehabilitation facilities.

B. The licensing of hospitals. The staff of this section also provides consultation services to assist hospitals in participating in the Medicare and Medicaid programs.

C. Administering loans and scholarships to students enrolled in accredited programs of training in the health-related professions.

PART I

Planning and Construction of Medical Facilities

The 1969-1971 biennium was a critical one in the planning and construction of facilities. Needs for construction continued as voluminous as ever, while the amount of Federal grant money available for construction decreased sharply.

Predominant among the circumstances generating the crisis was the continually escalating cost of upgrading medical facilities. This escalation reflected not only the inflation of the economy in general but also the ever-increasing complexity and sophistication of medical facilities. Both Medicare and the Joint Commission on Accreditation of Hospitals altered their standards to require that older hospitals meet certain safety aspects of current code requirements. It is believed that these new standards contributed to a significant increase in construction costs for additions and renovations.

Another factor critically affecting hospital building has been the restructuring of the Hill-Burton program. Until 1971, Federal participation in hospital construction under the program had been in the form of grants. Grant appropriations during the past biennium, however, decreased sharply. During the 1967-1969 biennium, appropriations by Congress had provided for Federal participation in North Carolina projects totaling $26,112,234. But Hill-Burton participation in North Carolina projects during the 1969-1971 period dropped to $13,643,236--a 47.8% reduction. This decrease in grant appropriations necessitated the establishment of a program of loans and loan guarantees in order to generate capital for hospital construction. Under new Federal law, publicly owned hospitals may be eligible for direct loans from the Federal Government; and voluntary, nonprofit hospitals may apply for Federal guarantees of their loans from non-Federal lenders. Interest subsidies may be paid by the Federal Government on both the direct loans and the guaranteed loans. The total amount appropriated for fiscal 1971 for direct loans and loan guarantees was $1,500,000,000, with North Carolina's share set at $14,544,000. Comparable amounts are authorized for fiscal 1972 and 1973. In the absence of grants, it is obvious that hospital sponsors must utilize loans increasingly as a source of capital, thereby making building expenses an even heavier part of the already taxing burden of hospital costs borne by the patient.

The continuing problem of attracting and retaining adequate medical personnel has also contributed to the crisis in planning health facilities. The uneven distribution of health manpower throughout the State makes it apparent that in areas of limited resources and sparse population there must be sharing and coordination among hospitals. Particularly obvious is the need to centralize the more sophisticated facilities and services.

Thus, the Commission was faced with its responsibility of keeping the State's hospitals viable and also with the moral obligation of keeping patients' costs as low as possible. In reaction to these circumstances, the Medical Care Commission has found it necessary to exercise increasing care in reviewing project proposals.

Each proposal must demonstrate that services provided by a project will not duplicate those of existing facilities and that the project involves no unnecessary costs.

Emphasis on Replacement

One effort to economize has brought about a shift in emphasis in the types of projects approved by the Commission. Cost experience over the past four biennia has shown that renovations and additions to bring older hospitals up to new standards are more costly than new construction. Also, there is an inherent inflexibility in older buildings which often leads to rising costs of operation when remodeling takes place or when new services or beds are added. Therefore, the Commission has seen its primary task in this biennium as that of replacing inadequate existing facilities where possible with all-new structures. Statistics for the past two biennia demonstrate this change in emphasis. In the 1967-1969 biennium, the Commission approved eight all-new hospital projects and ten hospital projects involving additions and renovations. In contrast, during the 1969-1971 biennium, the Commission approved four all-new hospital projects and one project involving renovation and addition.

Consolidation of Facilities

Mergers and consolidation are not new features of hospital construction in North Carolina. Since its inception in the mid-forties, the Hill-Burton program in this State has emphasized coordination for purposes of economy and efficient utilization of health manpower. In the past twenty-four years, 135 hospitals have been closed. Thus, while the number of beds has increased 140%, the number of hospitals has increased only 8%. Throughout the State, efforts have been made to provide more beds and simultaneously to eliminate costly duplication of services. In New Bern, for instance, three hospitals closed when one new one was completed. In Wilson, also, one new hospital replaced three existing facilities. In Wilmington, two closed in favor of one. This pattern is duplicated across the State.

Commission policy during the past biennium does, however, represent a greater emphasis on consolidation. In December, 1970, the Commission adopted a policy designed not only to discourage duplication of services but also to encourage the State's hospitals to consolidate and coordinate building efforts. According to Commission action, Federal grants for construction were set at 40% of estimated costs, except where projects represented consolidation of two or more existing, separately sponsored facilities. In such projects, grants might be authorized to cover as much as 61% of estimated costs.

Cost Controls

The biennium witnessed some progress in the area of cost controls as a result of actions taken by the Commission in the prior biennium. On June 20, 1969, the Commission voted to adopt a policy of declining participation in projects which, in the opinion of the Commission, "cannot be justified on the basis of excessive

costs attributed to uneconomical and inefficient planning."[1] In order to define ineligible costs and to aid sponsors in eliminating inefficient planning and unjustifiable embellishments, the staff developed a set of guidelines. One significant feature of the guidelines was the requirement that plans show a balanced design throughout the hospital where services are concerned.

Results of this policy's implementation appear to be reflected in the statistics of the 1969-1971 biennium. Over the two-year period, the average square feet per bed in new hospitals was reduced from 819 to 756--a 7.7% decrease. Construction costs for all-new Hill-Burton hospitals increased only 8.6% while the cost per bed increased only 2.8%. These increases were significantly smaller than corresponding increases in the preceding biennium when construction costs for all-new hospitals went up 17.8% and cost per bed increased 36.2%. Taken on a calendar year basis, North Carolina's record of economy provides a striking contrast with national building costs for hospitals. In 1970, the national average cost per square foot for new hospital construction was $43.88 in comparison to $38.40 in 1969--a 14% increase. Yet, in North Carolina, the average cost per square foot for new facilities in 1970 was $35.85 as compared to $36.00 in the previous year--a .04% decrease.[2] However, it was the second fiscal year of the biennium (the year in which the Commission's policy was fully implemented) that showed the most dramatic progress in cost control. From July, 1970, to July, 1971, construction costs for all-new Hill-Burton hospitals dropped 14.6%; and the cost per bed for all-new hospitals dropped 20%.

Regional Planning

In its efforts to increase the efficiency of its planning, the Commission has seen the need to integrate the planning of facilities with the total comprehensive health planning for an area. Accordingly, the Commission has sought to develop a close and mutually rewarding relationship with the areawide health planning agencies. Authorized in 1969 by Federal law, a number of these agencies has been established in the State, involving a large percentage of the counties. They are assigned the tasks of monitoring comprehensive health needs and stimulating more coordinated health planning within their local multi-county areas. In conformance with amendments to the Hill-Burton Act, the Medical Care Commission has established the policy of submitting to the appropriate council a narrative description of any project currently under review for Hill-Burton funds. Any recommendations or comments from the councils are given serious consideration before final decisions are made on projects. In addition, the Commission has established a policy of inviting representatives of these agencies to meet with staff members annually for

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[1] From the statement of purpose for *A Guide for Promoting Economy and Efficiency in Project Proposals Eligible for Medical Care Commission Participation.*

[2] National figures for the second year of the biennium are not available at this printing.

exchange of ideas and information on specific service areas. In the spring of 1971, the staff met with the representatives for the first time to discuss appropriate sections of the State Plan for the Construction of Hospitals and Medical Facilities pertaining to their planning jurisdictions. The Commission also explained its method for calculating the need for construction to council representatives. In the future, drafts of pertinent sections of the State Plan will be submitted to the planning councils for review before the Plan is finalized for their particular areas.

In further cooperation with the regional planning program, the Medical Care Commission altered slightly its method of determining need for hospital beds by establishing new hospital service areas. The new areas correspond to the seventeen multi-county planning regions designated by the Governor, plus three subdivisions for the purposes of planning.

Coronary Care Units

North Carolina is regarded nationally as being in the forefront not only in the expansion of hospital coronary care services but also in the provisions for optimum patient safety in its coronary care units. The guide for planning these units which was developed by the Commission in the prior biennium continued to draw national attention and to be adopted as suggested standards by other states. The Commission followed up this project by offering the consultative services of the architects and engineers on its staff to hospitals planning these units.[3] Because of the special electrical hazards involved in coronary care, the Commission's engineers designed for each hospital an isolated electrical system with special grounding necessary to prevent electrical fibrillation of the heart. They have also inspected each system after its installation and explained its function to nursing staff and maintenance personnel.

During the biennium, 52 non-Federal hospitals requested and received Commission consultation in connection with coronary care facilities. Of this group, 28 hospitals had completed new coronary care units or had expanded existing ones by the end of the biennium. The remaining units are either under construction or in design. In addition, the coronary care facilities of 14 Commission-approved projects were reviewed architecturally in the course of overall project reviews. These facilities are now ready for bidding or are under construction.

Of the 157 non-Federal hospitals licensed in North Carolina, 82 hospitals presently list coronary care units as a part of their bed complements. These hospitals are largely facilities of 100 beds or more and represent 17,550 beds, or 82% of North Carolina's non-Federal hospital beds. The remaining 75 licensed non-Federal hospitals do not list coronary care beds as a part of their bed complements.

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[3]From January, 1969 until July 1, 1970, the North Carolina Regional Medical Program's Coronary Care Training and Development Program participated in the architectural consultative service by financing an architect on the Commission's staff working exclusively in this area of planning.

This group represents approximately 4,000 beds, or the remaining 18% of the State's non-Federal hospital beds. The average bed complement for this group is just over 50 beds per hospital.

Current Construction

Fourteen all-new hospitals were under construction or in planning at the end of the biennium. These facilities will replace 1,224 existing beds and will add 971 beds to North Carolina's hospital system. Nine current projects which involve additions and alterations to general hospitals will provide an additional 494 beds. Another 346 beds will be added through the completion of five long-term care additions. Other projects under construction or in planning in June, 1971 included two public health centers, two rehabilitation additions, nine community mental health centers, and six facilities for the mentally retarded.

Outlook for the Future

Throughout the biennium there was a great deal of anxiety over the ability of the Medical Care Commission with Federal and State aid and local sponsors to generate sufficient capital to meet the State's needs for medical facilities. In mid-1971, it was estimated that in the next five years some $200,000,000 would be required to offset the accelerating obsolescence of existing facilities and to provide for expansion of facilities with high occupancy problems.

In spite of the drastic reductions in the Hill-Burton grant appropriations and the establishment of Hill-Burton loans, the first fiscal year of the loan program passed with no loans made or guaranteed because regulations for participation still had not been issued. In general, it was felt that the Hill-Burton program was too uncertain and too limited to stimulate hospitals to develop future construction plans involving Federal aid.

In view of the seeming inevitability that many hospitals, especially the larger ones, would have to obtain capital through borrowing, it was imperative that a more dependable mechanism for generating capital be developed on the State level. Prompted by these circumstances, the State's hospitals, through the North Carolina Hospital Association, introduced in the General Assembly a measure that would authorize the Medical Care Commission to issue tax-exempt revenue bonds on behalf of hospital projects. The major provisions of this act--which became law at the end of the biennium--are as follows:

(1) Each hospital applying for tax-exempt status must undergo an intensive financial feasibility study to determine the amount of funds that could be borrowed and repaid from expected cash flows without prohibitively increasing patient costs.

(2) The hospital would deed to the Commission its properties affected by the project in order for tax-exempt revenue bonds to be sold in the name of the Medical Care Commission as the owner of the project. After financing, the Commission will

then lease the facility to the hospital trustees for operation; and after the bonds are retired, the local hospital authority will regain title to the properties.

(3) The Local Government Commission will investigate the marketability of the bonds and will be responsible for actually selling the bonds.

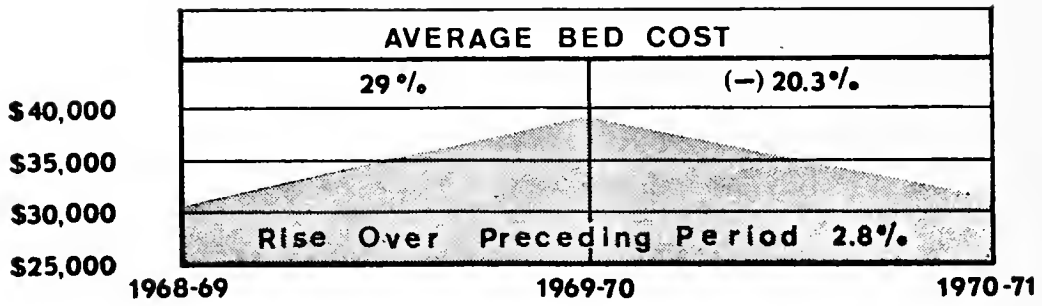
(4) The proceeds of the bonds may be used for hospital construction, equipment, land purchase, and any other expense related to the development of the project.

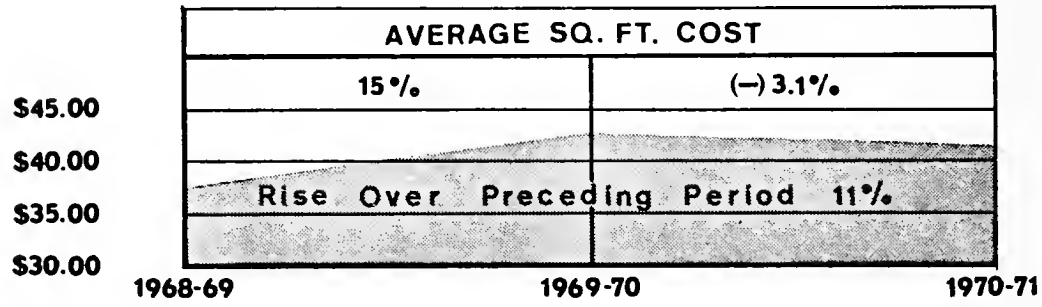
(5) This authority is intended to aid governmentally owned hospitals as well as private, nonprofit hospitals.

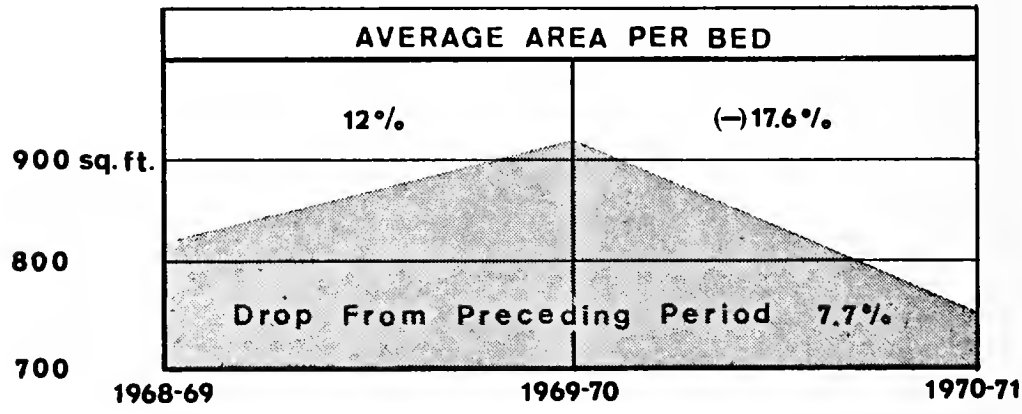
(6) To assure the holders of bonds of the safety of their investment, hospital operations will be scrutinized carefully.

It is expected that this mechanism will be used mainly by the larger, nonprofit hospitals. The finance act should indirectly aid other hospitals, however, by freeing more of the limited Federal grants and loans for the smaller projects and for those that would have difficulty in complying with the terms of this new act. Finally, it is believed that the prestige of the State agency, acting on behalf of the hospitals, should facilitate finding lenders and should command better interest rates than could the hospitals borrowing on their own.

Statistics summarizing construction activities are in the tables that follow.







TRENDS IN COSTS* OF ALL-NEW GENERAL HOSPITAL PROJECTS DEVELOPED UNDER THE HILL-BURTON PROGRAM IN NORTH CAROLINA 1969—1971

*total project costs excluding site costs

TABLE I-A

Data on Projects Approved During the Fiscal Year
July 1, 1969 - June 30, 1970

Project Address		Type	Beds	Total Cost	Federal Share	State Share	Local Share
Tideland Mental Health Center Washington	(N)	Mental Health		400,000.00	244,000.00	96,000.00	60,000.00
Gaston Co. Comprehensive Mental Health Center Gastonia	(N)	Mental Health		547,233.00	333,812.00	131,336.00	82,085.00
Forsyth Memorial Hospital Rehabilitation Center Winston-Salem	(A)	Rehab.		628,327.06	383,279.51	-0-	245,047.55
Mecklenburg Center for Human Development - Phase II Charlotte	(N)	Mental Retard.		800,000.00	115,967.00	-0-	250,000.00 1/ 434,033.00
Wake County Sheltered Workshop and Training Center, Inc. Raleigh	(N)	Mental Retard.		388,506.00	214,021.00	116,209.00	58,276.00
Total 1969-1970	5	Projects	-0-	2,764,066.06	1,291,079.51	343,545.00	1,129,441.55

1/ Special legislative appropriation.

A - Addition to existing facility
N - All-new facility

TABLE I-B

Data on Projects Approved During Fiscal Year
July 1, 1970 - June 30, 1971

Project Address		Type	Beds	Total Cost	Federal Share	State Share	Local Share
Tri-County Mental Health Center Salisbury	(N)	Mental Health		400,000.00	244,000.00	96,000.00	60,000.00
Neuse Clinic New Bern	(A)	Hospital	24(Psy.)	1,000,000.00	598,016.00	200,000.00	201,984.00
Alamance County Health Center Burlington	(A)	Health Center		285,000.00	114,000.00	-0-	171,000.00
Hugh Chatham Memorial Hospital Elkin	(N)	Hospital	100(G)	3,409,502.00	1,032,137.39	-0-	2,377,364.61
Margaret R. Pardee Mem. Hospital Hendersonville	(A)	Hospital	40(LTC)	812,000.00	324,800.00	-0-	487,200.00
Onslow Memorial Hospital Jacksonville	(N)	Hospital	153(G)	5,154,434.00	1,488,584.82	-0-	3,665,849.18
Transylvania Community Hospital Brevard	(N)	Hospital	64(G) 40(LTC)	2,697,608.00	865,427.19	-0-	1,832,180.81
Washington County Hospital Plymouth	(N)	Hospital	50(G)	1,600,000.00	492,642.53	22,438.79	1,084,918.68
Facility for Mentally Retarded Burlington	(N)	Mental Retard.		442,472.00	269,908.00	106,193.00	66,371.00
Total 1970-1971	9	Projects	367(G) 80(LTC) 24(Psy.) 471	15,801,016.00	5,429,515.93	424,631.79	9,946,868.28
Total for Biennium	14	Projects	367(G) 80(LTC) 24(Psy.) 471	18,565,082.06	6,720,595.44	768,176.79	11,076,309.83

A - Addition to existing facility
N - All-new facility
G - General beds

LTC - Chronic disease and nursing home beds
Psy.- Psychiatric beds

TABLE II-A

Data on Projects for Which Bids Were Taken During the Fiscal Year
July 1, 1969 - June 30, 1970

Name of Project	New or Addition	Number of Beds	County	Total Cost	Federal Share	State Share	Local Share
General Hospitals					2,216,000.00[1]		
Grace Hospital	N	161	Burke	6,686,473.84	1,054,778.93	-0-	3,415,694.91
Iredell Memorial Hospital	A	182	Iredell	3,216,421.00	1,286,568.00	108,000.00	1,821,853.00
Martin General Hospital	N	50	Martin	2,737,881.85	500,000.00	108,000.00	2,129,881.85
Northwestern District Hospital of Halifax County	N	151	Halifax	4,720,249.49	1,500,000.00 300,000.00[1]	108,000.00	3,112,249.49
St. Luke's Hospital	N	75	Polk	3,231,315.44	660,000.00	19,800.00	2,251,515.44
Wilson Memorial Hospital	A	38	Wilson	849,338.85	271,186.00	58,000.00	520,152.85
Subtotal 6 Projects		657		21,441,680.47	7,788,532.93	401,800.00	13,251,347.54
Long-Term Care Facilities							
Wilson Memorial Hospital	A	40	Wilson	787,542.58	238,640.00	50,000.00	498,902.58
N. C. Lutheran Home	N	50	Stanly	698,496.60	273,200.00	52,591.00	372,705.60
Subtotal 2 Projects		90		1,486,039.18	511,840.00	102,591.00	871,608.18
Mental Health Centers							
Johnston Memorial Hospital Mental Health Center	A	20	Johnston	950,424.77	477,400.00	100,000.00	373,024.77
Mid-East Comprehensive Mental Health Center	A	23	Wilson	1,080,027.76	632,400.00	100,000.00	347,627.76
Subtotal 2 Projects		43		2,030,452.53	1,109,800.00	200,000.00	720,652.53

TABLE II-A (Continued)

Data on Projects for Which Bids Were Taken During the Fiscal Year
July 1, 1969 - June 30, 1970

Name of Project	New or Addition	Number of Beds	County	Total Cost	Federal Share	State Share	Local Share
Facilities for the Mentally Retarded							
Duke-Civitan Developmental Evaluation Clinic	N		Durham	562,598.64	102,184.00	37,907.00	422,507.64
Rehabilitation Facilities							
Orthopedic Hospital and Rehabilitation Center 2/	A	24	Buncombe	876,051.82	135,000.00 1/ 514,618.60	-0-	226,433.22
Total 12 Projects		814		26,396,822.64	10,161,975.53	742,298.00	15,492,549.11

1/ Special funds provided under Appalachian Regional Development Act.

2/ Name changed from Asheville Othopedic Hospital.

TABLE II-B

Data on Projects for Which Bids Were Taken During the Fiscal Year
July 1, 1970 - June 30, 1971

Name of Project	New or Addition	Number of Beds	County	Total Cost	Federal Share	State Share	Local Share
General Hospitals							
Gaston County Hospital	N	479	Gaston	16,520,403.38	2,000,000.00 1/	108,000.00	14,412,403.38
Hugh Chatham Memorial Hospital	N	100	Surry	3,364,770.00	340,000.00 1/ 1,032,137.39	-0-	1,992,632.61
Subtotal 2 Projects		579		19,885,173.38	3,372,137.39	108,000.00	16,405,035.99
Rehabilitation Facilities							
Forsyth Memorial Hospital	A		Forsyth	673,127.76	366,427.43	-0-	306,700.33
Mental Health Centers							
Tideland Mental Health Center	N		Beaufort	401,243.15	244,000.00	96,000.00	61,243.15
Blue Ridge Mental Health Center	N		Buncombe	336,599.85	206,666.00	76,667.00	53,266.85
Edgecombe County Unit Edgecombe-Nash Mental Health Center	N		Edgecombe	400,000.00	244,000.00	96,000.00	60,000.00
Gaston County Comprehensive Mental Health Center	N		Gaston	547,233.00	333,812.00	131,336.00	82,085.00
Subtotal 4 Projects				1,685,076.00	1,028,478.00	400,003.00	256,595.00

TABLE II-B (Continued)

Data on Projects for Which Bids Were Taken During the Fiscal Year
July 1, 1970 - June 30, 1971

Name of Project	New or Addition	Number of Beds	County	Total Cost	Federal Share	State Share	Local Share
Facilities for the Mentally Retarded							
Guilford County Mental Retardation Complex	N		Guilford	748,154.80	336,338.00	-0-	325,020.00[2] 86,796.80
Mecklenburg Center for Human Development - Phase II	A		Mecklenburg	815,966.40	115,967.00	-0-	250,000.00[2] 449,999.40
Wake County Sheltered Workshop and Vocational Traning Center	N		Wake	396,746.59	236,989.00	93,241.00	66,516.59
Subtotal 3 Projects		___		1,960,867.79	689,294.00	93,241.00	1,178,332.79
Total 10 Projects		579		24,204,244.93	5,456,336.82	601,244.00	18,146,664.11
Total 22 Construction Projects from July 1, 1969 - June 30, 1971				50,601,067.57	15,618,312.35	1,343,542.00	33,639,213.22

1/ Special funds provided under Appalachian Regional Development Act.

2/ Special legislative appropriation.

TABLE III-A

State Appropriations to the Commission for the Construction of Medical Facilities

Year	Total Appropriation	Hospitals Health Centers Nurses' Residences	Long-Term Care Facilities	Community Mental Health Facilities	Mental Retardation
1947-1948	3,125,000	3,125,000			
1948-1949	3,125,000	3,125,000			
1949-1950	3,413,486	3,413,486			
1950-1951	3,413,486	3,413,486			
1951-1952	1,000,000	1,000,000			
1952-1953	1,000,000	1,000,000			
1953-1954	1,000,000	1,000,000			
1954-1955	1,000,000	1,000,000			
1955-1956	-0-	-0-			
1956-1957	-0-	-0-			
1957-1958	375,000	375,000			
1958-1959	375,000	375,000			
1959-1960	250,000	250,000			
1960-1961	250,000	250,000			
1961-1962	-0-	-0-			
1962-1963	-0-	-0-			
1963-1964	1,000,000	500,000	300,000	200,000	
1964-1965	1,000,000	500,000	300,000	200,000	
1965-1966	95,342				95,342
1966-1967	117,813				117,813
1967-1968	1,050,000	750,000		300,000	
1968-1969	1,050,000	750,000		300,000	
1969-1970	789,082			545,082	244,000
1970-1971	-0-	-0-			
Total	23,429,209	20,826,972	600,000	1,545,082	457,155

TABLE III-B

Federal Allotments to North Carolina for the Construction of Medical Facilities

Year	Total Federal Allotment	Hospitals, Health Centers, Nurses' Residences	Diagnostic and Treatment Centers	Chronic Disease Facilities	Nursing Homes	Rehabilitation Facilities
1947-1948	3,429,016	3,429,016				
1948-1949	3,413,486	3,413,486				
1949-1950	6,414,042	6,414,042				
1950-1951	3,620,615	3,620,615				
1951-1952	3,715,001	3,715,001				
1952-1953	3,379,249	3,379,249				
1953-1954	2,877,889	2,877,889				
1954-1955	4,016,253	3,321,117	205,095	205,095	142,473	142,473
1955-1956	4,656,299	3,949,179	208,707	208,707	144,853	144,853
1956-1957	5,270,126	4,564,698	208,188	208,188	144,526	144,526
1957-1958	5,033,778	4,334,784	206,177	206,177	143,320	143,320
1958-1959	7,953,263	6,576,271	261,073	261,073	427,423	427,423
1959-1960	7,787,383	6,436,503	256,774	256,774	418,666	418,666
1960-1961	7,630,942	6,308,032	251,425	251,425	410,030	410,030
1961-1962	8,693,299	6,284,490	563,082	817,223	752,087	276,417
1962-1963	9,155,057	6,257,134	813,635	813,635	813,635	406,818
1963-1964	10,120,902	5,934,767	771,374	771,374	771,374	385,687
1964-1965	9,925,442	5,909,362	765,109	1,530,569*		382,030
1965-1966	11,578,508	5,343,285	680,941	2,649,937*		369,608
1966-1967	11,953,263	5,144,148	738,273	2,645,424*		368,236
1967-1968	12,143,158	4,675,381	693,565	2,496,917*		345,381
1968-1969	13,969,076	4,517,460	698,673	2,509,293*		299,435
1969-1970	7,594,071	1,994,572	653,428	2,350,707*		276,714
1970-1971	6,049,165	300,000	2,585,926	516,811*		469,217
Total	170,379,283	108,700,481	10,561,445	22,867,716*		5,410,834

* Allotments for Chronic Disease Facilities and Nursing Homes are now combined in a single category "Long-Term Care Facilities."

Includes funds used to construct interchangeable beds in acute sections of general hospitals.

TABLE III-B (Continued)

Federal Allotments to North Carolina for the Construction of Medical Facilities

Year	Accelerated Public Works	Planning Grants	Community Mental Health Centers	Facilities for the Mentally Retarded	Modernization	Appalachian Funds
1947-1948						
1948-1949						
1949-1950						
1950-1951						
1951-1952						
1952-1953						
1953-1954						
1954-1955						
1955-1956						
1956-1957						
1957-1958						
1958-1959						
1959-1960						
1960-1961						
1961-1962						
1962-1963	50,200					
1963-1964	1,486,326					
1964-1965	-0-	16,215	1,050,372	271,785		
1965-1966	-0-	44,805	1,498,962	352,524	638,446	
1966-1967	-0-	12,059	1,491,856	430,665	972,602	150,000
1967-1968	-0-	36,728	882,066	330,384	1,366,386	1,316,350
1968-1969	-0-	-0-	881,659	329,988	1,515,922	3,216,646
1969-1970	-0-	-0-	842,016	269,908	646,726	560,000
1970-1971	-0-	-0-	-0-	-0-	1,201,211	976,000
Total	1,536,526	109,807	6,646,931	1,985,254	6,341,293	6,218,996

Table IV

Summary of Costs of Projects on Which Bids Were Received July 1, 1947 Through June 30, 1971

Fiscal Year	Number of Projects	Total Cost	Federal Share	State Share	Local Share	Average Percent Commission Participation
July 1, 1947 to June 30, 1948	5	1,514,527.34	496,675.79	379,555.92	638,295.63	57.9
July 1, 1948 to June 30, 1949	21	12,357,754.83	3,958,297.09	3,457,242.78	4,942,214.96	60.0
July 1, 1949 to June 30, 1950	21	16,571,746.63	4,584,486.79	2,729,172.76	9,258,087.08	44.1
July 1, 1950 to June 30, 1951	38	14,445,121.32	5,915,290.64	3,011,679.24	5,518,151.44	61.8
July 1, 1951 to June 30, 1952	17	11,899,900.24	4,679,549.51	1,416,064.20	5,804,286.53	51.2
July 1, 1952 to June 30, 1953	32	6,792,633.78	2,251,058.36	2,282,728.44	2,258,846.98	66.7
July 1, 1953 to June 30, 1954	30	5,220,479.41	2,239,630.15	1,041,435.71	1,939,413.55	62.8
July 1, 1954 to June 30, 1955	26	9,461,329.84	2,949,041.10	899,465.35	5,612,823.39	40.7
July 1, 1955 to June 30, 1956	29	9,001,113.99	4,331,531.01	888,619.62	3,780,963.36	58.0
July 1, 1956 to June 30, 1957	21	6,144,468.46	2,972,487.43	388,076.28	2,783,904.75	54.7
July 1, 1957 to June 30, 1958	29	16,448,981.23	7,810,529.53	1,146,230.87	7,492,220.83	54.5
July 1, 1958 to June 30, 1959	20	18,288,330.44	10,494,220.18	115,920.27	7,678,189.99	58.0
July 1, 1959 to June 30, 1960	19	8,385,717.26	4,458,550.44	207,270.09	3,719,896.73	55.6
July 1, 1960 to June 30, 1961	21	18,639,394.91	8,100,357.86	250,082.64	10,288,954.41	44.8
July 1, 1961 to June 30, 1962	11	12,009,054.22	6,392,759.61	8,401.00	5,607,893.61	53.3
July 1, 1962 to June 30, 1963	20	17,397,145.13	8,819,531.92	55,140.56	8,522,472.65	51.0
July 1, 1963 to June 30, 1964	19	27,095,585.79	11,248,436.56	536,676.64	15,310,472.59	43.5
July 1, 1964 to June 30, 1965	12	19,929,412.28	8,263,734.84	542,718.00	11,122,959.44	44.2
July 1, 1965 to June 30, 1966	9	9,317,553.67	4,234,667.00	192,780.00	4,890,106.67	47.5
July 1, 1966 to June 30, 1967	24	43,827,244.35	16,341,548.59	435,400.00	27,050,295.76	38.3
July 1, 1967 to June 30, 1968	15	18,831,350.15	8,507,190.75	142,174.00	10,181,985.40	45.9
July 1, 1968 to June 30, 1969	25	62,035,229.19	19,082,038.05	1,190,674.84	41,762,516.30	32.7
July 1, 1969 to June 30, 1970	12	26,789,349.62	10,717,275.68	742,298.00	15,329,775.94	42.8
July 1, 1970 to June 30, 1971	10	25,206,841.55	5,456,336.82	601,244.00	19,149,260.73	24.0
Total	486	417,610,265.63	164,305,225.70	22,661,051.21	230,643,988.72	44.8
Average	20.3	17,400,427.73	6,846,051.07	944,210.47	9,610,166.19	
Approved projects for which bids will be taken after July 1, 1971	9	12,391,514.00	5,033,378.54	424,631.79	6,933,503.67	
Total all projects approved July 1, 1947 to June 30, 1971	495	430,001,779.63	169,338,604.24	23,085,683.00	237,577,492.39	

TABLE V

Summary Showing Construction Status of Medical Facilities Projects Approved Under Public Health Service Act (Title VI) and Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 as of June 30, 1971

Total All Projects	495		
Total Cost	$ 430,001,779.63		
Federal Share		$ 169,338,604.24	(39.4)
State Share		23,085,683.00	(5.4)
Local Share		237,577,492.39	(55.2)

	Total All Projects	General Hospitals		Nursing Homes	T.B.	Mental	Rehab.	D & T	Health Centers	Nurses' Res.	Community Mental Health Centers	Mental Retardation
		Acute	LTC									
No. Projects	495[1/]	237	33	5	2	7	18	22	94	49 (2,999)	16	12
No. Beds	17,672	15,025	1,026 (766)[2/]	541	100	647	190				143	

	Number Projects	Cost		
		Total	Federal Share	Local Share
State-Owned	21	$ 17,128,870.47	$ 5,697,501.40	$ 11,431,369.07
Projects Completed	446			
Projects Under Construction	40			
Projects in Planning Stage	9			
Total Number Current Projects	49			
Total Cost Current Projects	$ 143,480,540.86			

1/ Where modernization funds have been combined with funds from another category, the modernization portion has not been counted as a separate project.

2/ Denotes beds constructed with Federal funds for long-term care facilities and planned architecturally to be used interchangeably for acute and chronic purposes as required by demand. Figures in parenthesis ( ) are included in the acute bed count.

TABLE VI

Projects Currently Under Construction
June 30, 1971

Project Number	County	Name of Project	No. of Beds	Total Cost	Federal Share	State Share	Local Share
General Hospitals							
					568,182.00[1]		
NC-450A&B	Ashe	Ashe County Memorial Hospital	76	2,619,468.97	975,000.00[1]	100,000.00	976,286.97
NC-462	Buncombe	Memorial Mission Hospital			265,828.00[1]		
		of Western North Carolina	25	2,496,828.00	71,172.00	-0-	2,159,828.00
					2,216,000.00[1]		
NC-420A&B	Burke	Grace Hospital	161	6,686,473.84	1,584,000.00	-0-	2,886,473.84
NC-447A&B	Davidson	Community Gen. Hospital					
		of Thomasville [2]	164	3,899,507.98	1,950,000.00	100,000.00	1,849,507.98
NC-436	Duplin	Duplin General Hospital	50	2,507,852.90	906,000.00	-0-	1,601,852.90
NC-453C	Forsyth	N. C. Baptist Hospital [3]	176	14,655,729.66	-0-	-0-	14,655,729.66
NC-452A&B	Gaston	Gaston County Hospital	474	17,523,000.00	2,000,000.00	108,000.00	15,415,000.00
NC-444	Guilford	High Point Memorial Hospital	130	5,179,804.97	2,000,000.00	-0-	3,179,804.97
NC-455A&B	Halifax	Northwestern District Hospital					
		of Halifax County	151	4,720,249.49	1,500,000.00	108,000.00	3,112,249.49
NC-459	Iredell	Iredell Memorial Hospital	82	3,274,336.68	1,286,568.00	108,000.00	1,879,768.68
					307,099.00[1]		
NC-446	Jackson	C. J. Harris Community Hospital	31	1,639,286.06	895,618.35	100,000.00	336,568.71
NC-448A&B	Lenoir	Lenoir Memorial Hospital	285	9,835,877.21	3,000,000.00	100,000.00	6,735,877.21
NC-428	Lincoln	Lincoln County Hospital	100	2,149,903.55	990,000.00	-0-	1,159,903.55
NC-456	Martin	Martin County Hospital	50	2,962,950.88	500,000.00	108,000.00	2,354,950.88
NC-457	Montgomery	Montgomery Memorial Hospital	50[4]	1,855,497.66	677,150.00	108,000.00	1,070,347.66
NC-432A&B	Nash	Nash County Hospital	292	8,313,502.00	3,000,000.00	-0-	5,313.502.00
					300,000.00[1]		
NC-458A&B	Polk	St. Luke's Hospital	75	3,231,315.44	660,000.00	19,800.00	2,251,515.44
					400,000.00[1]		
NC-443A&B	Rutherford	Rutherford Hospital	70	4,587,893.70	1,500,000.00	100,000.00	2,587,893.70
					340,000.00[1]		
NC-467A&B	Surry	Hugh Chatham Memorial Hospital	100	3,364,770.00	1,032,137.39	-0-	1,992,632.61
NC-463A	Wilson	Wilson Memorial Hospital	38	849,338.85	271,186.00	58,000.00	520,152.85
Subtotal 20 Projects			2,580	102,353,587.84	29,195,940.74	1,117,800.00	72,039,847.10

TABLE VI (Continued)

Projects Currently Under Construction
June 30, 1971

Project Number	County	Name of Project	No. of Beds	Total Cost	Federal Share	State Share	Local Share
Long-Term Care Facilities							
NC-453A	Forsyth	N. C. Baptist Hospital	176	2,893,801.07	1,000,000.00	-0-	1,893,801.07
NC-460	Stanly	N. C. Lutheran Nursing Home	50	698,496.60	273,200.00	52,591.00	372,705.60
NC-463B	Wilson	Wilson Memorial Hospital	40	787,542.58	238,640.00	50,000.00	498,902.58
Subtotal 3 Projects			266	4,379,840.25	1,511,840.00	102,591.00	2,765,409.25
Public Health Centers							
NC-461	Buncombe	Buncombe County Health Center		2,505,136.32	300,000.00	-0-	2,205,136.32
Diagnostic or Treatment Centers							
NC-453B	Forsyth	N. C. Baptist Hospital		2,112,774.94	1,000,000.00	-0-	1,112,774.94
NC-403	Orange	N. C. Memorial Hospital		10,240,679.00	2,487,375.00	-0-	7,753,304.00
Subtotal 2 Projects				12,353,453.94	3,487,375.00	-0-	8,866,078.94
Rehabilitation Facilities							
NC-464	Buncombe	Orthopedic Hospital and Rehabilitation Center 5/	24	910,000.77	135,000.00 1/ 531,470.68	-0-	243,530.09
NC-465	Forsyth	Forsyth Memorial Hospital Rehabilitation Center		673,127.76	366,427.43	-0-	306,700.33
Subtotal 2 Projects			24	1,583,128.53	1,032,898.11	-0-	550,230.42

TABLE VI (Continued)

Projects Currently Under Construction
June 30, 1971

Project Number	County	Name of Project	No. of Beds	Total Cost	Federal Share	State Share	Local Share
Community Mental Health Centers							
NC-MH-13	Beaufort	Tideland Mental Health Ctr.		401,243.15	244,000.00	96,000.00	61,243.15
NC-MH-8	Buncombe	Blue Ridge Mental Health Ctr.		336,599.85	206,666.00	76,667.00	53,266.85
NC-MH-12	Edgecombe	Edgecombe-Nash Mental Health Ctr.		400,000.00	244,000.00	96,000.00	60,000.00
NC-MH-14	Gaston	Gaston County Comprehensive Mental Health Center		547,233.00	333,812.00	131,336.00	82,085.00
NC-MH-9	Johnston	Johnston Memorial Hospital Mental Health Center	20	1,026,018.09	477,400.00	100,000.00	448,618.09
NC-MH-6	Mecklenburg	Mecklenburg County Mental Health Center		1,261,920.00	795,009.00	50,000.00	416,911.00
NC-MH-4	Wilson	Wilson County Mental Health Ctr.	23	1,080,027.76	632,400.00	100,000.00	347,627.76
Subtotal 7 Projects			43	5,053,041.85	2,933,287.00	650,003.00	1,469,751.85
Mental Retardation Facilities							
NC-MR-8	Durham	Duke-Civitan Developmental Evaluation Clinic		562,598.64	111,411.00	37,907.00	413,280.64
NC-MR-9	Guilford	Guilford Co. Mental Retard. Complex		748,154.80	336,338.00	-0-	411,816.80
NC-MR-11	Mecklenburg	Mecklenburg Ctr. for Human Development - Phase II		815,966.40	115,967.00	-0-	699,999.40
NC-MR-4	Pitt	East Carolina University Developmental Evaluation Clinic and Day Care Center		337,371.70	209,170.45	-0-	128,201.25
NC-MR-10	Wake	Wake Co. Sheltered Workshop		396,746.59	236,989.00	93,241.00	66,516.59
Subtotal 5 Projects				2,860,838.13	1,009,875.45	131,148.00	1,719,814.68
Total 40 Projects Under Construction			2,913	131,089,026.86	39,471,216.30	2,001,542.00	89,616,268.56

1/ Special funds provided under Appalachian Regional Development Act.
2/ Name changed from City Memorial Hospital.
3/ The general hospital portion of this project to be funded at 100% local expense - 176 beds being added with net gain of 36.
4/ Adding 50 beds with net gain of 32.
5/ Name changed from Asheville Orthopedic Hospital.

TABLE VII

Projects Currently in Planning Stage
For Which Bids Will Be Taken After
July 1, 1971

Project Number	County	Name of Project	No. of Beds	Total Cost	Federal Share	State Share	Local Share
General Hospitals							
NC-469A&B	Onslow	Onslow Memorial Hospital	153	5,154,434.00	1,488,584.82 500,000.00[1/]	-0-	3,665,849.18
NC-470A&B	Transylvania	Transylvania Community Hospital	64	2,199,994.00	673,416.19	-0-	1,026,577.81
NC-471A&B	Washington	Washington County Hospital	50	1,600,000.00	492,642.53	22,438.79	1,084,918.68
Subtotal 3 Projects			267	8,954,428.00	3,154,643.54	22,438.79	5,777,345.67
Long-Term Care Facilities							
					136,000.00[1/]		
NC-468	Henderson	Margaret R. Pardee Mem. Hosp.	40	812,000.00	324,800.00	-0-	351,200.00
NC-470	Transylvania	Transylvania Community Hosp.	40	497,614.00	192,011.00	-0-	305,603.00
Subtotal 2 Projects			80	1,309,614.00	652,811.00	-0-	656,803.00
Public Health Centers							
NC-466	Alamance	Alamance County Health Center		285,000.00	114,000.00	-0-	171,000.00
Community Mental Health Centers							
NC-MH-16	Craven	Craven County Hospital Mental Health Center	24	1,000,000.00	598,016.00	200,000.00	201,984.00
NC-MH-15	Rowan	Tri-County Mental Health Ctr.		400,000.00	244,000.00	96,000.00	60,000.00
Subtotal 2 Projects			24	1,400,000.00	842,016.00	296,000.00	261,984.00

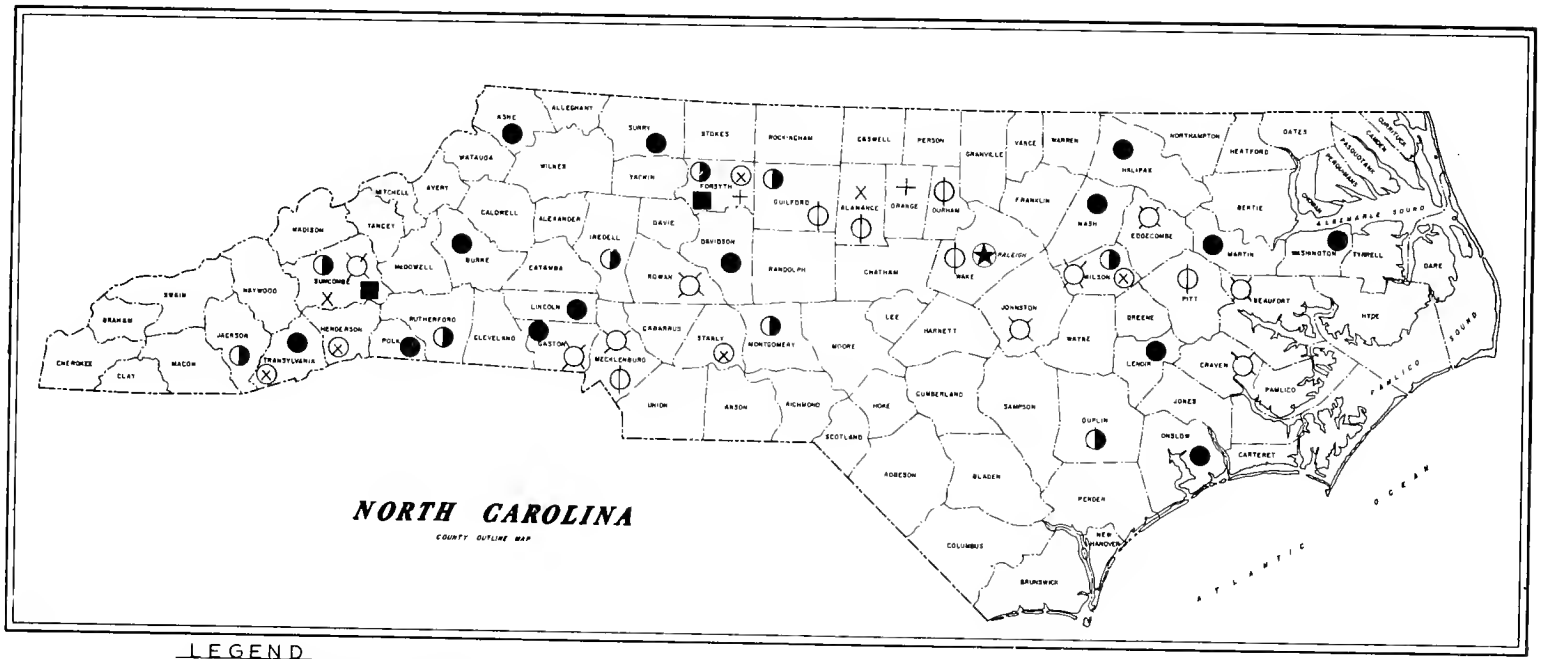
1/ Special funds provided under Appalachian Regional Development Act.

TABLE VII (Continued)

Projects Currently in Planning Stage
For Which Bids Will Be Taken After
July 1, 1971

Project Number	County	Name of Project	No. of Beds	Total Cost	Federal Share	State Share	Local Share
Mental Retardation Facilities							
NC-MR-12	Alamance	Vocational Trades of Alamance County		442,472.00	269,908.00	106,193.00	66,371.00
Total 9 Projects in Planning Stage			371	12,391,514.00	5,033,378.54	424,631.79	6,933,503.67

PROJECTS CURRENTLY UNDER CONSTRUCTION OR IN PLANNING JUNE 30, 1971



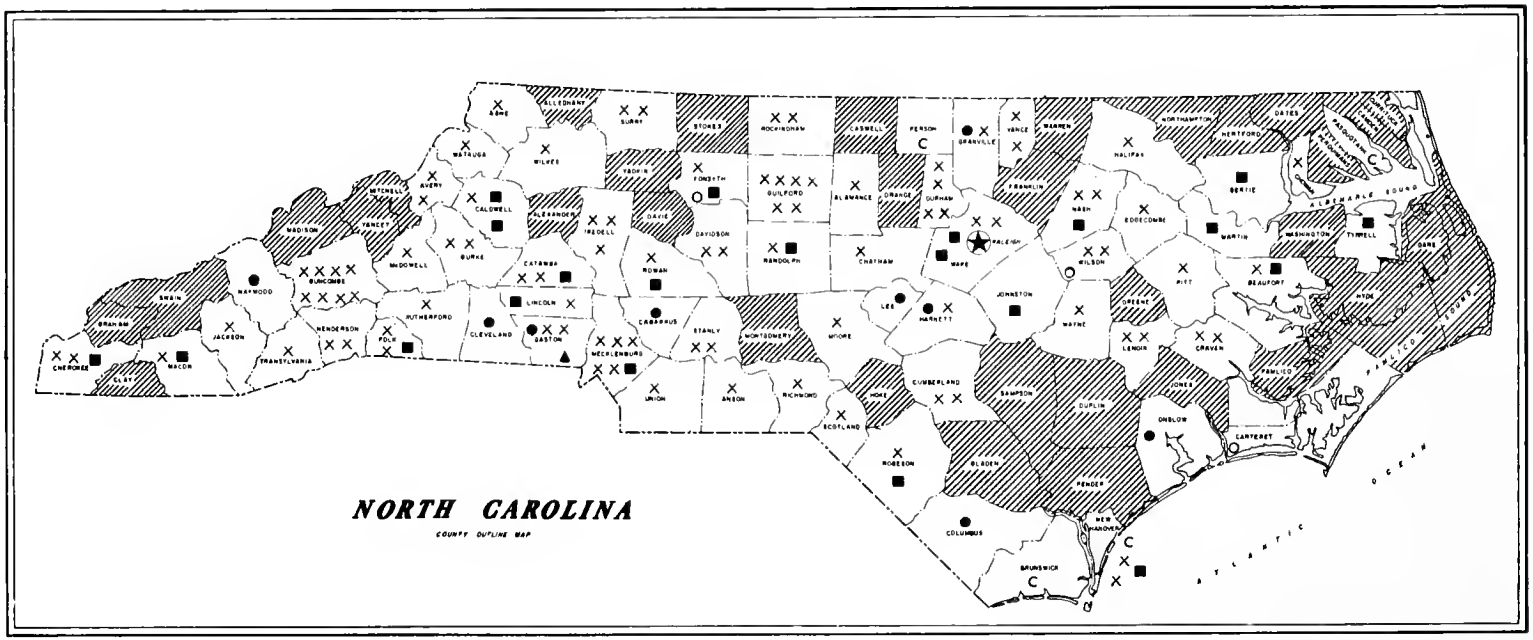
LEGEND

- ● All New Replacement Hospital
- ◑ Addition To Existing Hospital
- ⊗ Long Term Care Facility
- x Public Health Center
- \+ Diagnostic Or Treatment Center Addition
- ■ Rehabilitation Addition
- ⊠ Community Mental Health Center
- ⊕ Facility For The Mentally Retarded

OWNERSHIP OF GENERAL AND ALLIED HOSPITALS

(EXCLUDING MENTAL AND TUBERCULOSIS)

December 1, 1947



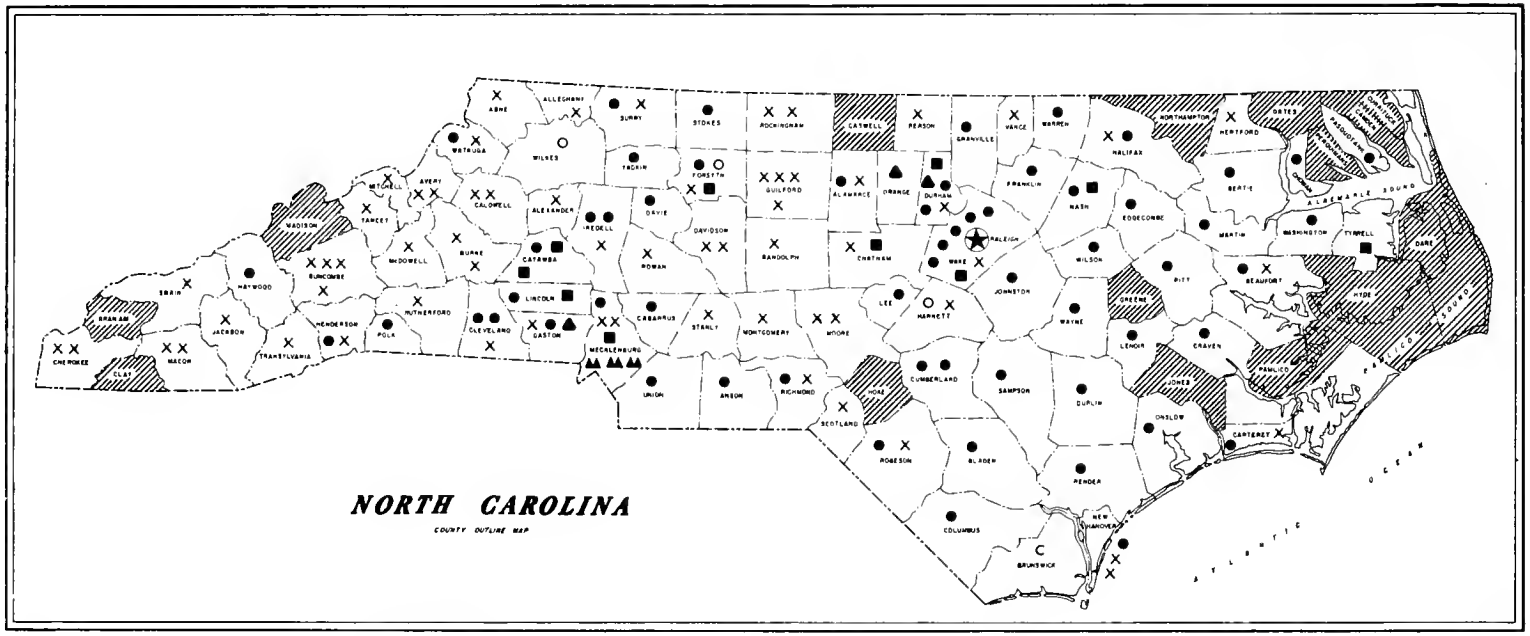
LEGEND

	Symbol	Facilities No.	Facilities Per Cent	Beds No.	Beds Per Cent
City	o	3	2.3	523	5.6
City County	c	4	3.0	284	3.0
State	▲	1	.8	160	1.7
County	●	9	6.9	503	5.3
Nonprofit Assoc.	x	93	71.0	7,323	77.7
Proprietary	■	21	16.0	633	6.7
Authority	▼				
TOTAL		131	100.0	9,426	100.0

NOTE: Does not include facilities of 15 beds or less

Counties with no general hospitals

OWNERSHIP OF GENERAL AND ALLIED HOSPITALS
INCLUDING PROJECTS UNDER CONSTRUCTION AND IN PLANNING
(EXCLUDING MENTAL AND TUBERCULOSIS)
APRIL 1, 1971



LEGEND

	Symbol	Facilities No.	Facilities Per Cent	Beds No.	Beds Per Cent	Per Cent of Change 1947 — 1971 No. of Facilities	Per Cent of Change 1947 — 1971 No. of Beds
City	o	3	2.1	547	2.4	0.0	+ 4.6
City County	c	1	.7	42	.2	- 75.0	- 85.2
State	▲	3	2.1	754	3.3	+ 200.0	+ 371.3
County	●	59	41.6	9,711	42.9	+ 555.5	+ 1,830.6
Nonprofit Assoc.	x	63	44.4	9,884	43.7	- 32.3	+ 35.0
Proprietary	■	10	7.0	666	3.0	- 52.4	+ 5.2
Authority	▲▲	3	2.1	1,029	4.5	—	—
TOTAL		142	100.0	22,633	100.0	+ 8.4	+ 140.1

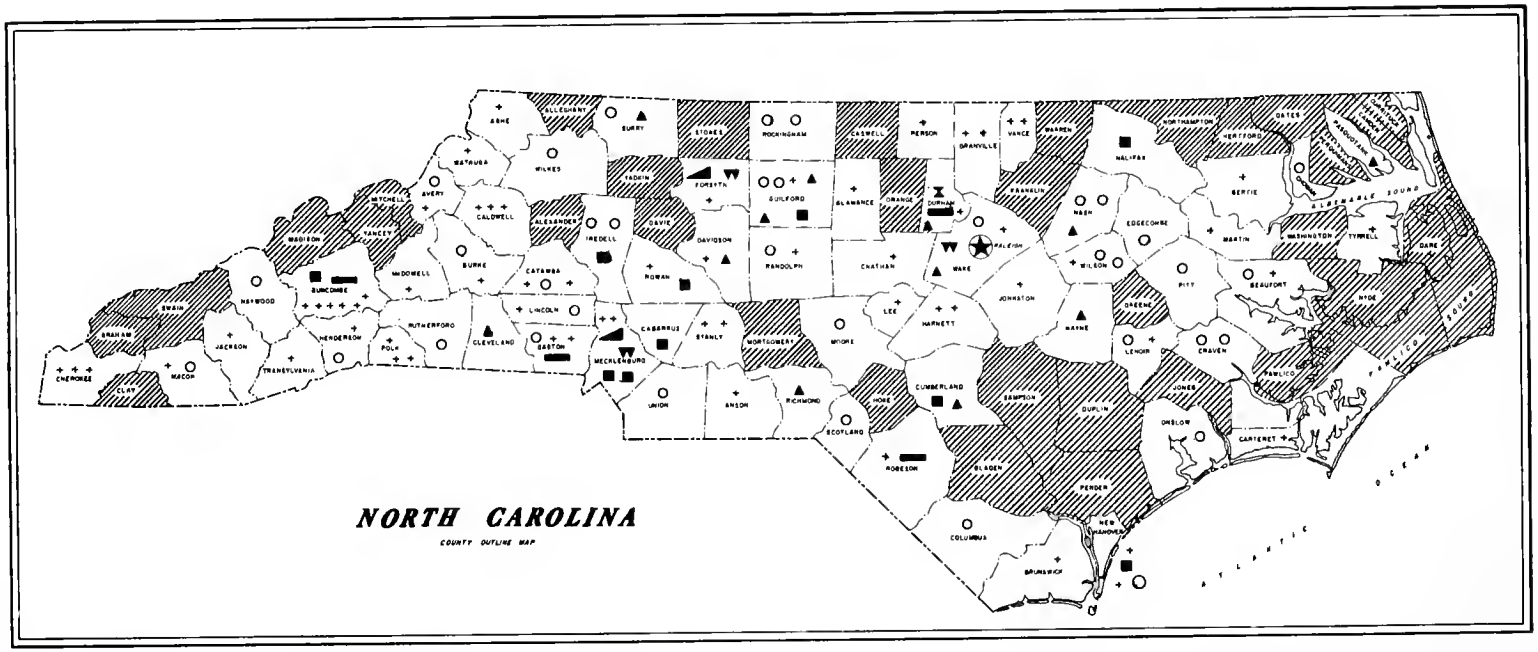
NOTE: Does not include facilities of 15 beds or less

Counties with no general hospitals

SIZE AND LOCATION OF GENERAL AND ALLIED HOSPITALS

(EXCLUDING MENTAL AND TUBERCULOSIS)

December 1, 1947



LEGEND

No. of Beds		Symbol	Facilities No.	Facilities Per Cent	Beds No.	Beds Per Cent
16	49	+	63	48.1	2,005	21.3
50	74	o	35	26.7	2,068	21.9
75	99	▲	12	9.2	1,029	10.9
100	149	■	10	7.6	1,138	12.1
150	199	▬	4	3.0	665	7.1
200	299	▼	3	2.3	776	8.2
300	399	O	1	.8	304	3.2
400	499	◢	2	1.5	883	9.4
500	Over	⧗	1	.8	558	5.9
	TOTAL		131	100.0	9,426	100.0

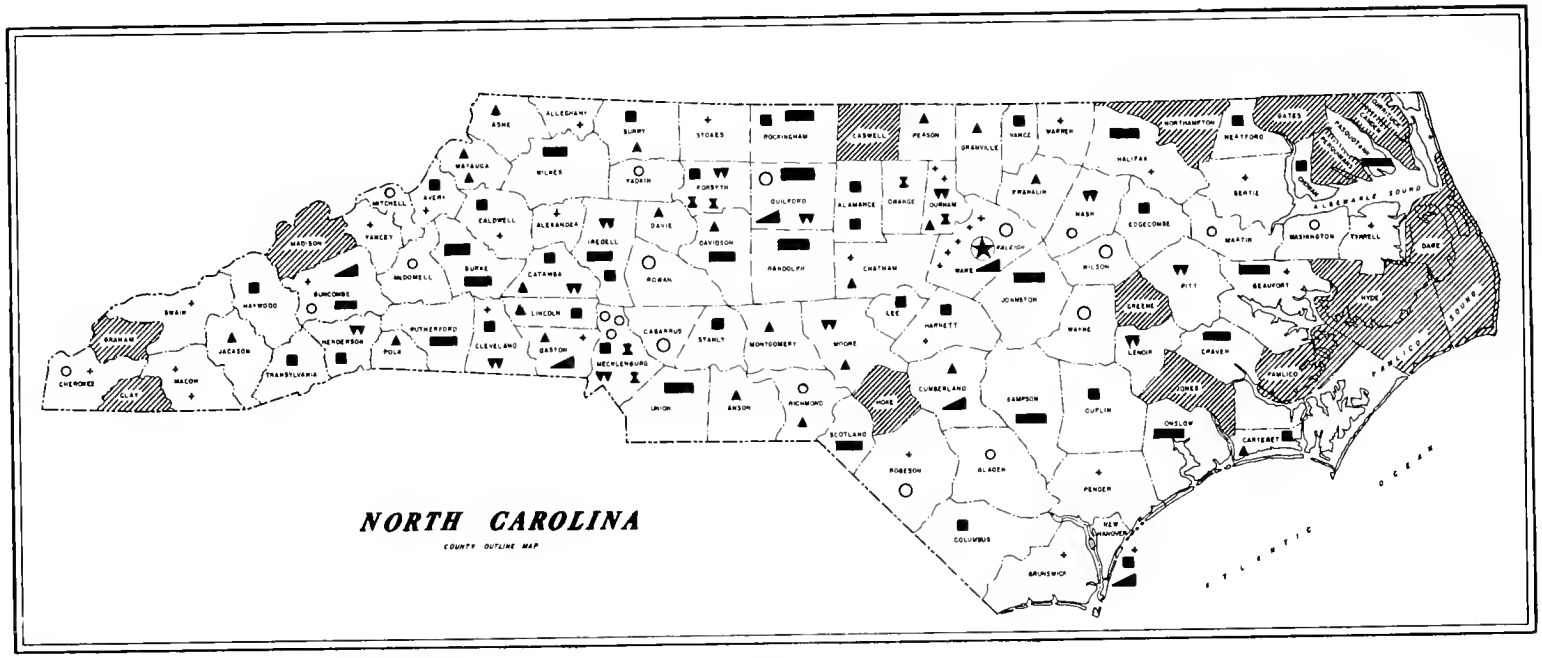
NOTE: Does not include facilities of 15 beds or less

Counties with no general hospitals

SIZE AND LOCATION OF GENERAL AND ALLIED HOSPITALS INCLUDING PROJECTS UNDER CONSTRUCTION AND IN PLANNING

(EXCLUDING MENTAL AND TUBERCULOSIS)

APRIL 1, 1971



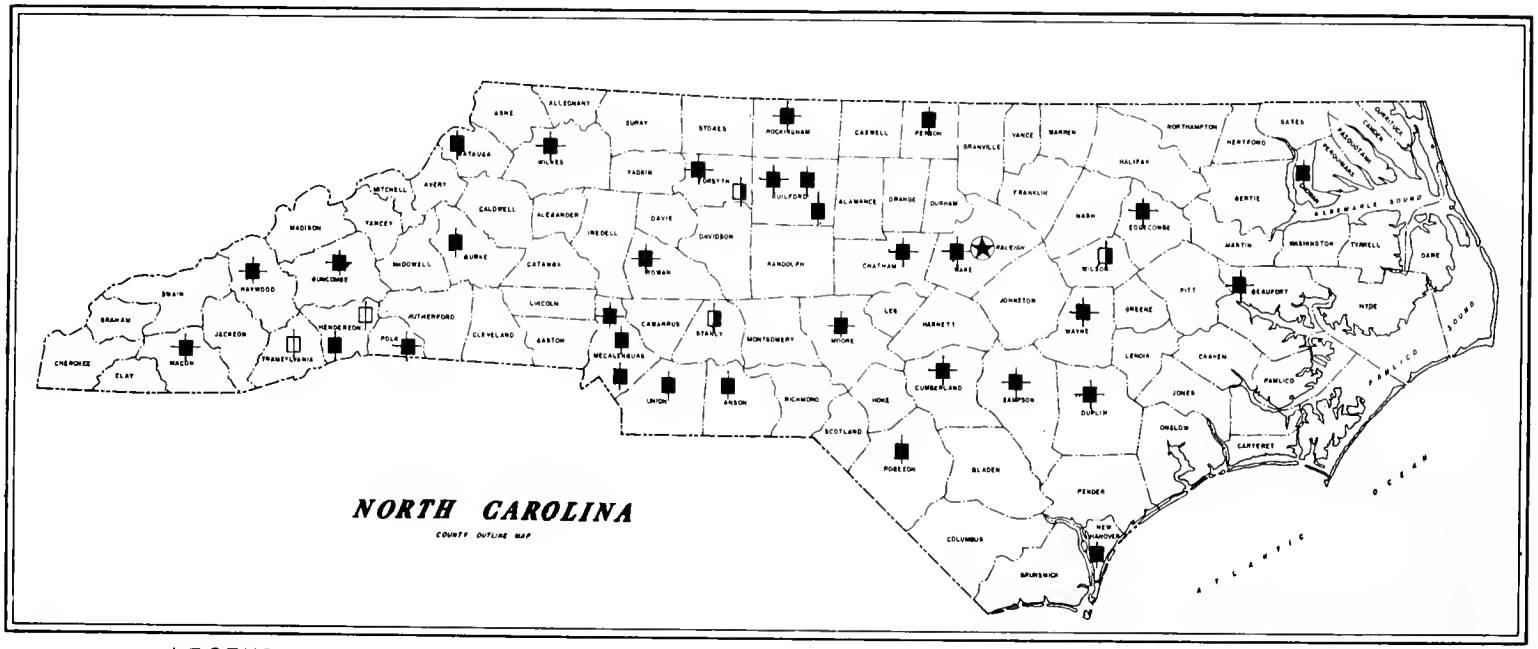
LEGEND

No. of Beds	Symbol	Facilities No.	Facilities Per Cent	Beds No.	Beds Per Cent	Per Cent of Change 1947 — 1971 No. of Facilities	Per Cent of Change 1947 — 1971 No. of Beds
16 - 49	+	31	21.8	1,068	4.7	- 50.8	- 46.7
50 - 74	o	13	9.2	804	3.6	- 62.9	- 61.1
75 - 99	▲	22	15.5	1,869	8.3	+ 83.3	+ 81.6
100 - 149	■	26	18.3	3,112	13.7	+ 160.0	+ 182.3
150 - 199	▬	19	13.4	3,213	14.2	+ 375.0	+ 383.2
200 - 299	▼	12	8.5	2,994	13.2	+ 300.0	+ 285.8
300 - 399	O	7	4.9	2,476	10.9	+ 600.0	+ 714.5
400 - 499	◢	6	4.2	2,619	11.6	+ 200.0	+ 196.6
500 - Over	⧗	6	4.2	4,478	19.8	+ 500.0	+ 702.5
TOTAL		142	100.0	22,633	100.0	+ 8.4	+ 140.1

NOTE: Does not include facilities of 15 beds or less.

▨ Counties with no general hospital

LONG TERM CARE FACILITIES CONSTRUCTION PROGRAM 1954 — 1971 [1]

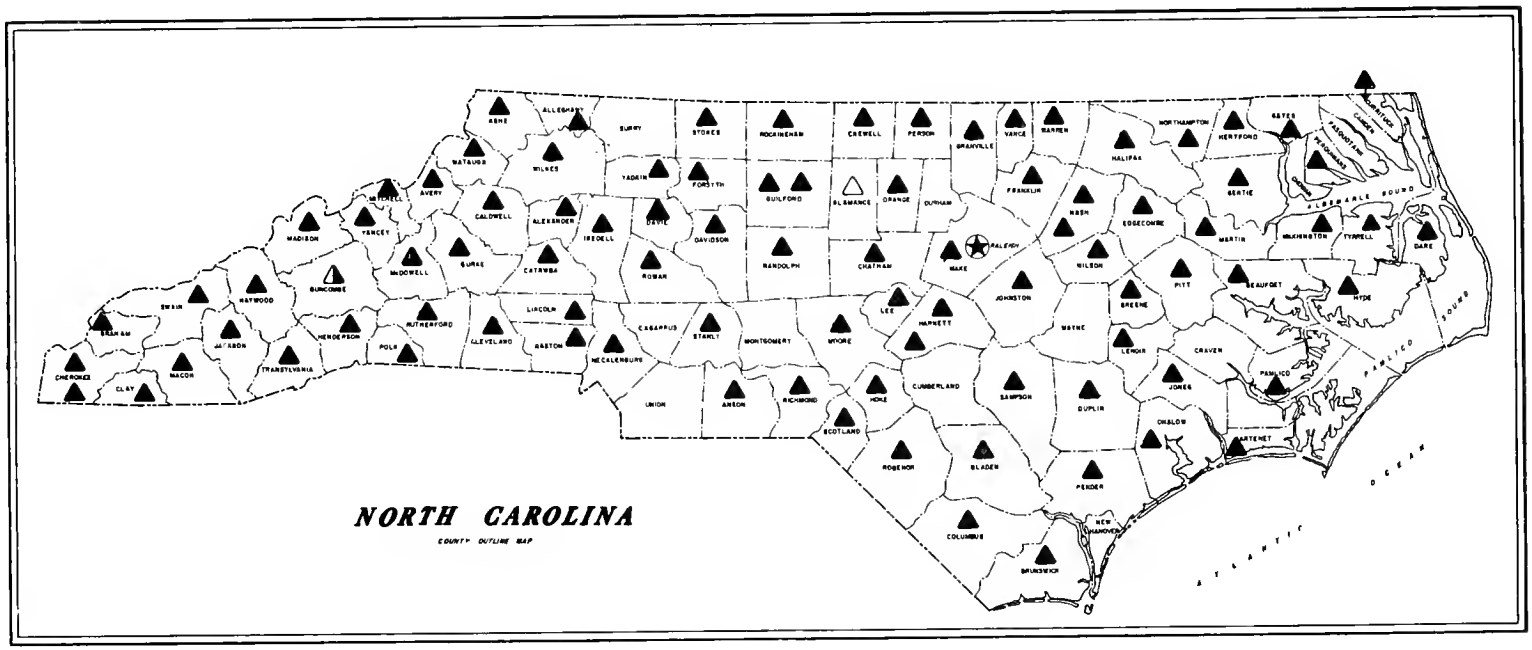


LEGEND

- In Planning
- Under Construction
- Completed Facilities
- Constructed With LTC Funds — Beds Currently Being Used As Acute General Beds

[1] Special funds for construction of LTC facilities first became available July 1, 1954.

PUBLIC HEALTH CENTERS
CONSTRUCTION PROGRAM
1947 — 1971



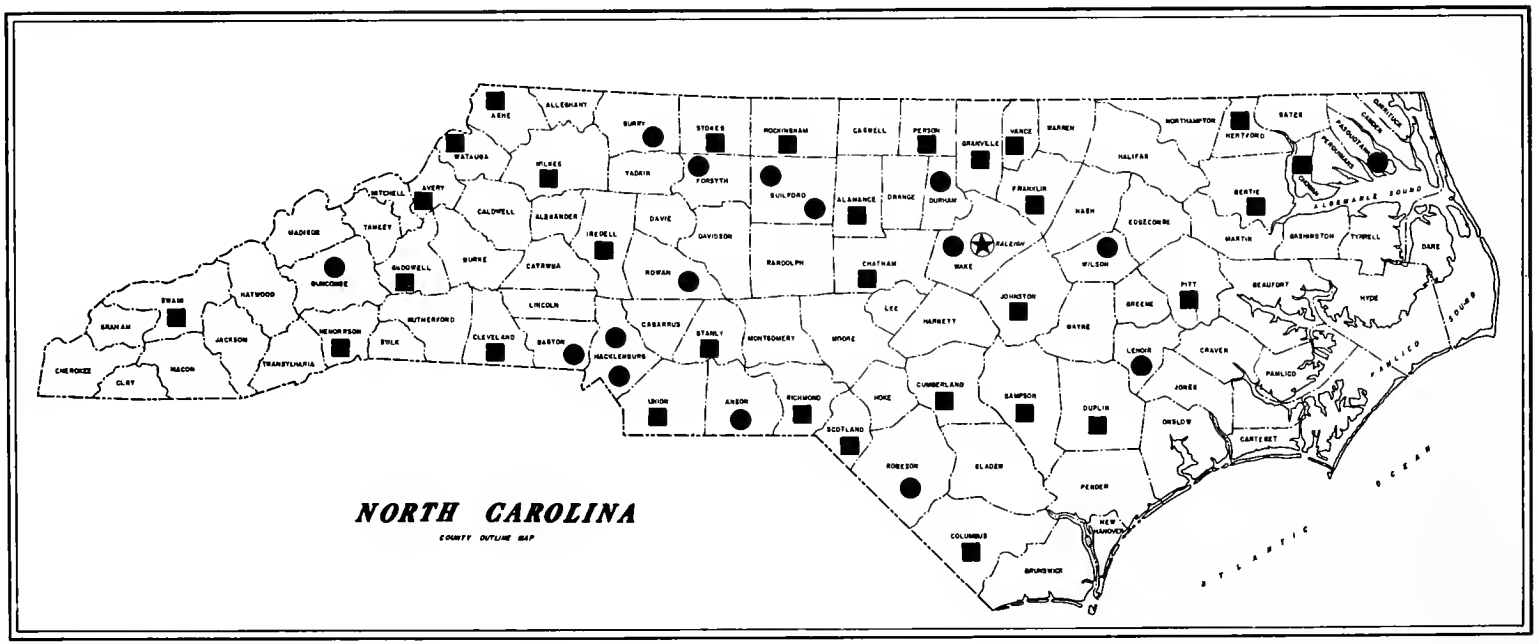
LEGEND

△ In Planning

◭ Under Construction

▲ Completed Facilities

NURSES' RESIDENCES — SCHOOLS OF NURSING CONSTRUCTION PROGRAMS 1947 — 1971

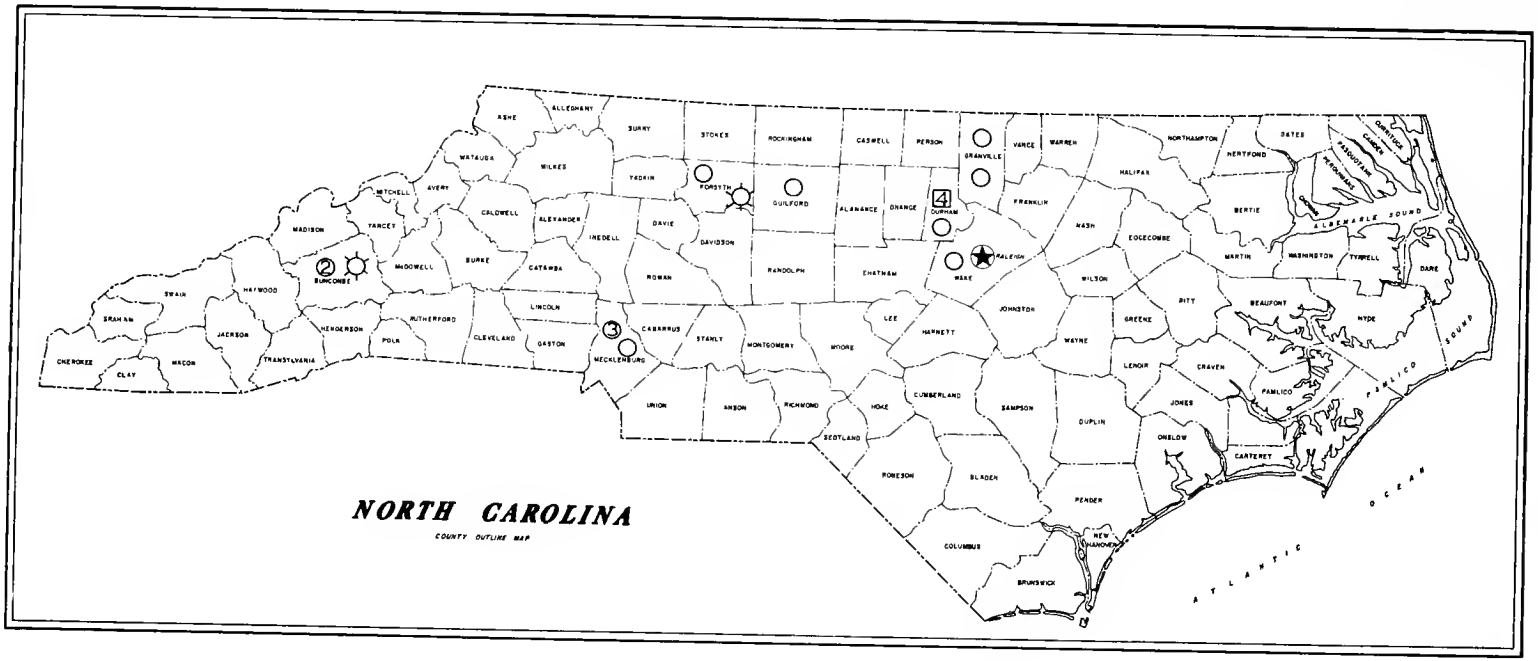


LEGEND

■ Completed Nurses' Residences

● Completed Schools Of Nursing

REHABILITATION FACILITIES CONSTRUCTION PROGRAM 1954 – 1971 [1]



"Numeral" No. Of Projects Within Same Facility

☼ Under Construction

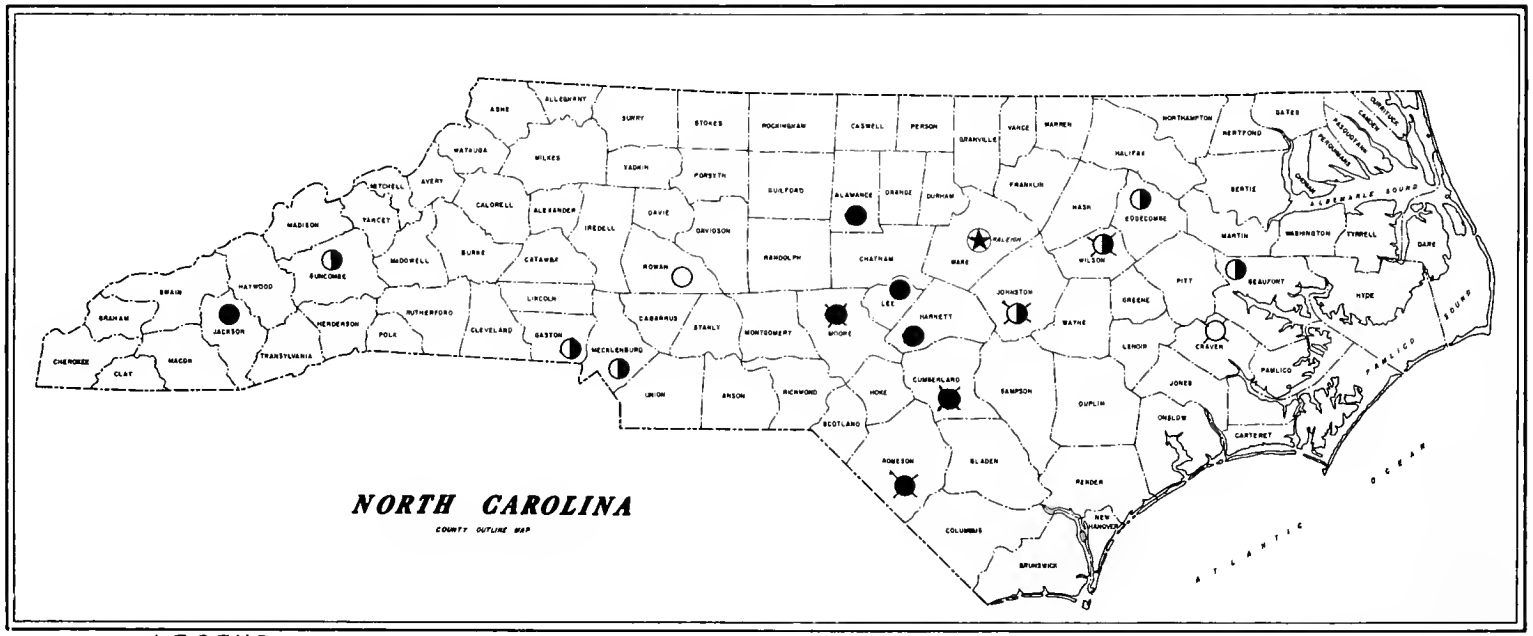
○ Completed Facilities

DUKE UNIVERSITY MEDICAL CENTER (Durham County)

4 Completed Facilities

[1] Special funds for construction of rehabilitation facilities first became available July 1, 1954.

COMMUNITY MENTAL HEALTH CENTER CONSTRUCTION PROGRAM 1964 — 1971 [1]

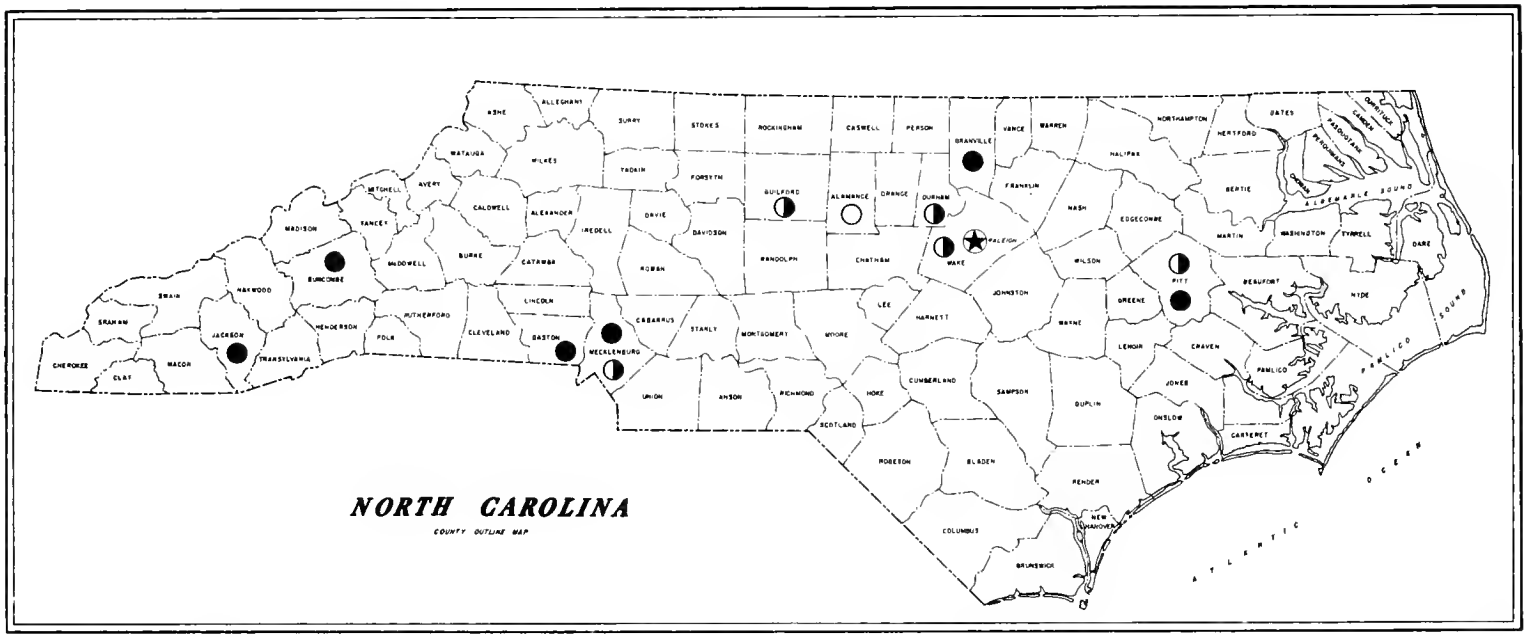


LEGEND

- ○ In Planning
- ◑ Under Construction
- ● Completed Facilities
- ⌑ Project Includes Psychiatric Beds (In Planning)
- ◧ Project Includes Psychiatric Beds (Under Construction)
- ◙ Project Includes Psychiatric Beds (Completed)

[1] Special funds for construction of community mental health centers first became available July 1, 1964.

FACILITIES FOR THE MENTALLY RETARDED
CONSTRUCTION PROGRAM
1964 — 1971 [1]



LEGEND

- ○ In Planning
- ◑ Under Construction
- ● Completed Facilities

[1] Special funds for construction of facilities for the mentally retarded first became available July 1, 1964.

PART II

The Hospital Standards Program

During the biennium, the licensing section of the Medical Care Commission concerned itself primarily with upgrading the Medicare-certified hospitals to more nearly comply with Federal standards. The Commission performs this function under a contractual arrangement with the State Board of Health for those hospitals which are not accredited by the Joint Commission on Accreditation of Hospitals but which desire to participate in the Medicare or Medicaid programs. The licensing section continues to use the team approach in conducting the surveys utilizing the professional abilities of a hospital administrator, a registered nurse, and a registered medical record librarian to survey participating facilities and to provide consultation and assistance in meeting Medicare standards.

As of April, 1971, of the 157 licensed facilities, 146 were certified to participate in Medicare. Furthermore, 10 extended care facilities owned and operated by hospitals were certified to participate in the program. From a total of 21,391 licensed beds, approximately 20,847 were certified at the end of the last biennium, representing about 97.5% of all licensed beds in the State.

In the early years of the Medicare program, emphasis was placed on eliminating the major deficiencies which would have a direct effect upon future certification. During the 1969-1971 biennium, the staff worked closely with hospitals to refine procedures and functions in participating hospitals. It was the goal of the licensing section to assist each facility as much as possible to assure its continued participation.

Inasmuch as many of the major problems first encountered with the participating facilities have been eliminated or alleviated, the Commission's staff was able to devote more survey time than in the previous biennium to the licensed, accredited hospitals. However, because of the increased paper work and record-keeping requirements of the Medicare program, the staff continues to devote more attention to those facilities certified for Medicare but not accredited by the Joint Commission. Fortunately, problems among the accredited hospitals were noticeably fewer and thus required less surveillance.

During the biennium the remaining facilities which did not have the services of a registered pharmacist, either on a full-time or part-time basis, obtained a pharmacist and were issued a pharmacy permit by the State Board of Pharmacy. *Therefore, all licensed facilities presently have the services of a pharmacist to supervise the drug services within the institution.* Emphasis, therefore, was shifted from encouraging and assisting hospitals in obtaining a pharmacist to reviewing the functions of the pharmacist in each institution to assure compliance with the State pharmacy laws. It is anticipated that by the next biennium we will see a tremendous improvement in the quality of pharmaceutical services in licensed facilities.

Because of the decreasing availability of Federal funds for hospital construction, the hospitals undertook more and smaller projects using other funds. This placed an additional workload on the licensing section in the processing of construction plans to the stage of final licensing approval. The increased number of plans submitted to the licensing section required new procedures of review as well as new systems for filing and recordkeeping which have now been established.

As a result of new standards developed and approved by the Joint Commission on Accreditation of Hospitals in December, 1970 and the revision of Medicare standards to create a higher level of care, the Commission's staff has begun a revision of its own licensing concepts. Inasmuch as only four or five hospitals are not having to meet the higher standards of the Joint Commission or the conditions for Medicare participation, it was felt that standards for licensing should at least coincide with those presently being applied to the majority of hospitals in the State. It is anticipated that the resulting licensing standards, which hopefully will be adopted during 1972, will be a composite of the Medicare standards and the standards of the Joint Commission on Accreditation of Hospitals.

The following tables summarize statistically the status and utilization of hospitals for the indicated periods:

LICENSED HOSPITALS BY BED CAPACITY

Size by Beds	Hospitals			Beds			Average No. of Beds per Hospital		
	1968	1969	1971	1968	1969	1971	1968	1969	1971
3- 15	11	6	5	92	70	61	8	12	12
16- 30	14	13	13	304	288	291	22	22	22
31- 50	35	30	29	1,462	1,241	1,200	42	41	41
51- 75	15	16	13	970	997	832	65	62	64
76-100	24	25	27	2,166	2,263	2,407	90	91	89
101-150	22	23	23	2,759	2,861	2,806	125	124	122
151-200	16	16	17	2,871	2,814	2,973	179	176	175
201-300	11	12	11	2,656	2,948	2,727	242	246	248
301-400	5	7	7	1,816	2,551	2,561	363	364	366
400- up	12	11	12	6,835	6,464	6,847	570	588	571
	165	159	157	21,931	22,497	22,705	133	141	145

LICENSED HOSPITALS BY MEDICAL TYPE

	1968	1969	1971
General	143	143	137
Mental	0	0	4
Tuberculosis	4	4	4
Rehabilitation	4	4	4
Maternity	0	0	0
Pediatric	1	1	1
Eye, Ear, Nose, Throat	2	2	2
Physician Clinic	10	4	3
Chronic Disease	1	1	2
	165	159	157

PATIENT SERVICE DATA

		1968	1969	1970
A.	Percentage of occupancy (excluding newborn)	71.8	72.7	73.9
B.	Average length of stay (excluding newborn)	7.7	7.7	8.2
C.	Total patients discharged	725,419	747,526	801,208
	Newborn discharged	81,562	84,336	88,988
	Total discharged less newborn	643,857	663,190	712,292
D.	Total patient days	5,359,049	5,535,712	6,243,339
	Newborn days	369,377	378,521	393,836
	Total days less newborn days	4,989,672	5,157,191	5,849,503
E.	Total outpatient visits	1,457,495	1,589,414	2,802,228
F.	Employees per patient per day	2.53	2.4	2.7
G.	Total surgical procedures	323,815	299,806	353,182
H.	Number medical patients discharged	218,962	230,559	275,892
I.	Number pediatric patients discharged (excluding newborn)	72,178	71,435	77,609
J.	Number maternity and gynecological patients discharged	142,798	146,801	158,351
K.	Number other patients discharged	209,919	214,395	278,049
L.	Number deaths (excluding stillbirths)	20,991	21,854	23,277
M.	Number autopsies	4,635	4,592	4,765

PART III

Educational Loans for Medical and Related Studies

The 1965 General Assembly, concerned about the increasing shortages of health manpower in the State's public health programs and rural communities, strengthened the loan program in order to encourage more students to enter medical and related fields and subsequently to provide their services in those areas critically in need of health professionals. By June, 1971, the Commission was able to witness the effectiveness of this legislation which had restructured the student loan program. Results are apparent when the statistics for the biennium prior to passage of the new law are compared with those of the biennium just passed.

During the 1963-1965 biennium, the Commission approved 105 new applicants at a total cost to the State of $357,475 for completion of their training. Of these, 18 were in medicine, 26 in nursing, 1 in pharmacy, 14 in dentistry, 8 in medical technology, 11 in social work, and 27 in nurse anesthesia. On June 30, 1965, 71 recipients were in practice with 97 having completed all service obligation to North Carolina.

In contrast, by June 30, 1971, the Commission had approved 535 applicants during the 1969-1971 biennium at a total projected cost of $1,589,078 to assure the completion of their education. Of the total number, there were 75 medical students, 260 nursing recipients, 39 students in pharmacy, and 40 dental students.[4] One hundred and ninety-six recipients were in practice by the end of the biennium, and approximately 130 were awaiting State Board licensing results. A total of 401 loan recipients had fulfilled all service obligations. It should be pointed out that the large swell of "in-practice" personnel who have benefited from the program is yet to be experienced because of the lag between the beginning of the educational period and the time when the recipient is available for service.

A comparison of the attrition rates for the two periods indicates the increased efficiency of the program. The percentage of academic failures and withdrawals from school or from the loan program during the educational period decreased from 12.6% to 7.1% between June 30, 1965 and June 30, 1971.

As the loan fund was created with the intention of increasing the availability of health services in the State, it is of interest to note not only the increase in the numbers of health practitioners aided by the loans, but also the higher rate at which these practitioners are accepting their responsibilities. If fulfillment of the loan obligation is interpreted strictly as fulfillment through approved practice in the State, the number in compliance has increased only 1% from 74.7% in 1965 to 75.5% in 1971. However, if those recipients who contributed some service with partial cash repayment are also considered, the rate of 79.6% in 1965 increases to 82.4% in 1971--an improvement of 2.8%.

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[4] Additional comparisons may be seen in Table C.

Nursing

One of the disciplines within the program that has shown exceptional growth is nursing. Loan approvals for nursing students jumped dramatically from 17 during the 1964-1965 academic year to 169 in 1970-1971. The following paragraphs from a report made to the North Carolina State Nurses' Association on October 23, 1970 summarize the experience of this segment of the loan program:

> . . .the attrition rate for nursing students has dropped from 23.6%, recorded in June, 1965, to its present rate of 6.6%. In the five-year period, we added only one additional academic failure and seventeen more withdrawals while adding 459 recipients.
>
> Those that were required to repay their loans in cash due to failure to become licensed constitute 2.25% (6) of the total (266) who have qualified to take State Board Examinations. There were several (possibly 4) who, before we limited the number of times they could repeat the tests without penalty, wrote as many as seven times. These few went on eventually to complete their obligations by practice although they were required to make monthly cash repayments in the interim between the first failure and licensure.
>
> Of the 266 who were available for practice, nearly 87% have either completed their entire obligation by service or contributed some portion, leaving only 13% (35) recipients who have failed to provide service as agreed. Eleven of these recipients remained in North Carolina.

Outlook for the Future

While the growth and effectiveness of the student loan program reached a peak in the 1969-1971 biennium, the appropriations made in that same biennium will effect a virtual standstill in the next two-year period. Of the $1,360,000 requested by the Commission to continue the program, only $900,000 was appropriated. As two-thirds of this amount is already committed for assisting students presently receiving aid or already approved for aid, only $300,000 will be available to new scholarship applicants. Therefore, the Commission can anticipate approving only about 250 applications in the 1971-1973 biennium--less than half as many approved in the last two years.

The Medical Care Commission adopted the following changes during the biennium:

December 19, 1969

1. The new policy on computing interest on loans to be repaid in cash, adopted by the Commission on June 20, 1969, shall apply to all notes on which payments were made after July 1, 1969. Interest will be computed from the date the recipient completes the educational program for which he received the loan or from the date of his withdrawal from the program. Previously, interest was computed from the date the loan was made to the student.

2. The resolution adopted June 19, 1969, redefining an eligible community for practicing under the program as "a community of 10,000 or less with a critical need for practitioners," will apply to recipients negotiating notes after June 18, 1965. The policy since 1965 had been to approve practice only in communities of 5,000 or less that are not within the environs of an urban area.[5]

3. A loan recipient may discharge the loan commitment by full-time teaching in an accredited program within any discipline for which assistance is granted following completion of training.

March 20, 1970

4. In order to safeguard the student loan program from being used primarily for commercial purposes as a result of the trend toward higher interest rates in general, the interest on new loans was increased from 6% to 7% effective for all notes made on or after July 1, 1970. However, interest rates for any loan recipient shall be the same as that specified in the initial note executed by him or her in the program.

June 19, 1970

5. Because of the large number of applications from new, needy students to finance health studies, the policy of retaining funds in escrow for subsequent years' loans for students initially entering the program this year was discontinued, and all funds not previously committed will be used to finance as many applications as possible. New students approved this year and subsequently will accept loans for their first year of education with the advice that loans made to them after the end of the biennium during which they were initially approved will depend upon continuing appropriations made by the General Assembly. Sufficient funds will be set aside to finance continued training during a biennium. As additional funds become available, already approved students will be given priority before new students are accepted. The new policy shall apply only to new students approved for loans on and after July 1, 1970.

December 18, 1970

6. The Executive Secretary was authorized to approve the transfer of students receiving loans from one field of study to another. Also, financial assistance and the practice commitment will be adjusted within the conditions applying to the field of study into which the student transfers.

The following tables summarize the loan program for recipients in all categories.

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[5]Only recipients in the fields of medicine, dentistry, pharmacy, optometry, and osteopathy are restricted to practice in eligible communities.

FINANCIAL STATISTICS

Educational Loan Fund

Table A

	1945-65	1945-67	1945-69	1945-71
Total Appropriation	$1,355,500.00	$1,485,500.00	$2,085,500.00	$2,884,000.00
Interest Collected on Loans	75,305.00	93,782.57	111,994.62	142,628.47
Total Assets	1,430,805.00	1,579,282.57	2,197,494.62	3,026,628.47
Total Expenditures (Loans)	1,318,073.89	1,796,601.90	2,463,941.12	3,565,908.82
Loans Repaid (Principal)	519,508.51	673,536.27	774,847.23	930,134.86
Loans Cancelled by Satisfactory Service	69,414.85	251,978.68	447,812.24	763,882.86
Total Loans Outstanding (Notes Receivable)	729,150.53	871,086.95	1,241,281.65	1,871,891.10
Cash Balance	632,239.62	456,216.94	508,400.73	390,854.51
Less: Encumbrances to Complete Education of Students Already Approved	172,033.00	309,676.00	408,333.32	286,000.00[1]
Unencumbered Balance for Financing New Loan Applications	460,206.62	146,540.94	100,067.41	104,854.51[1]
	June 30, 1965	June 30, 1967	June 30, 1969	June 30, 1971
Delinquency Percentage[2]	1.2%	.9%	.4%	.1%

[1] Effective July 1, 1970, policy of retaining funds in escrow for subsequent years' loans for new recipients was discontinued.

[2] Active accounts submitted to the Attorney General's Office for collection when the Medical Care Commission is unsuccessful in its negotiations with the recipients and sureties to their notes.

NUMBER OF STUDENTS ADMITTED BY FIELD OF STUDY AND CURRENT STATUS

Educational Loan Program
1945-June 30, 1971

Table B

	Total Number of Students Approved	Enrolled in School	Academic Failures	Withdrew from School and/or Program	Deferred Status	In Practice	Completed Practice Obligation	Practice and Cash Repayment	Cash Repayment	Cancellation by Death	New Students Approved		Increase or Decrease over 1967-69 Biennium	
											1967-69 Biennium	1969-71 Biennium	Number of Recipients	Rate of Change
Clinical Psychology	16	3	--	2	1	3	5	1	1	--	6	4	- 2	- .33
Dental Hygiene	16	--	--	1	7	3	3	1	1	--	6	10	+ 4	+ .67
Dentistry	183	62	6	4	24	19	45	2	21	--	26	49	+ 23	+ .88
Dietetics	1	--	--	--	--	1	--	--	--	--	--	--	--	--
Medical Record Library Science	10	1	--	1	--	3	5	--	--	--	2	5	+ 3	+ 1.5
Medical Recreation	2	--	--	--	--	--	1	--	1	--	0	1	+ 1	--
Medical Technology	92	20	2	5	3	16	40	2	4	--	25	40	+ 15	+ .60
Medicine	301	82	4	9	58	7	77	13	51	--	27	75	+ 48	+ 1.78
Nurse Anesthesia	101	23	--	5	--	28	36	4	5	--	27	28	+ 1	+ .04
Nursing	575	222	9	31	19	96	131	26	41	--	156	260	+ 104	+ .67
Occupational Therapy	1	1	--	--	--	--	--	--	--	--	0	1	+ 1	--
Optometry	9	6	1	--	1	1	--	--	--	--	2	6	+ 4	+ 2.0
Osteopathy	2	2	--	--	--	--	--	--	--	--	0	2	+ 2	--
Pharmacy	95	32	12	8	18	12	8	1	4	--	24	39	+ 15	+ .63
Physical Therapy	28	6	--	3	2	5	7	2	2	1	13	9	- 4	- .31
Social Work	62	3	--	4	1	2	43	--	8	1	11	6	- 5	- .45
GRAND TOTAL:											325	535	+ 210	+ .65
June 30, 1971	1494	463	34	73	134	196	401	52	139	2				
June 30, 1969	964	278	30	54	86	149	237	33	97	--				
Increase or Decrease 1945-71 over 1945-69:														
Number of Recipients	530	185	4	19	48	47	164	19	42	2				
Percentage Increase	56.0	67.2	13.3	35.1	55.8	31.5	69.2	57.6	43.3	100				

NUMBER OF STUDENTS APPROVED FOR LOANS BY FIELD OF STUDY AND BIENNIUM

Educational Loan Program

Table C

	1963-65 Biennium		* 1965-67 Biennium		1967-69 Biennium		1969-71 Biennium	
Field of Study	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71
Clinical Psychology (Master's)	-	-	3	3	3	3	3	1
Dental Hygiene	-	-	-	-	2	4	5	5
Certificate	-	-	-	-	-	(1)	(1)	(1)
Assoc. Degree	-	-	-	-	(1)	-	(3)	(2)
Baccalaureate	-	-	-	-	(1)	(3)	(1)	(2)
Dentistry	9	5	11	18	12	14	24	25
Dietetics	-	-	1	-	-	-	-	-
Medical Recreation (Master's)	-	-	1	-	-	-	1	-
Medical Record Library Science	-	-	2	1	1	1	3	3
Certificate	-	-	-	(1)	(1)	(1)	(3)	(2)
Baccalaureate	-	-	(2)	-	-	-	-	(1)
Medical Technology	5	3	12	9	14	11	26	14
Clinical	(5)	(1)	(12)	(9)	(14)	(7)	(15)	(10)
Baccalaureate	-	(2)	-	-	-	(4)	(11)	(4)
Medicine	8	10	7	15	12	15	29	46
Nurse Anesthesia	12	15	10	10	10	17	5	23
Nursing	9	17	27	64	76	80	91	169
Master's	-	-	-	(1)	(1)	(1)	(2)	(2)
Baccalaureate	(7)	(10)	(9)	(30)	(31)	(33)	(22)	(46)
Diploma	(2)	(5)	(18)	(23)	(26)	(41)	(42)	(50)
Assoc. Degree	-	(2)	-	(10)	(12)	(5)	(25)	(65)
Occupational Therapy	-	-	-	-	-	-	-	1
Optometry	-	-	-	1	1	1	3	3
Osteopathy	-	-	-	-	-	-	-	2
Pharmacy	-	1	5	8	11	13	21	18
Physical Therapy	-	-	2	4	6	7	2	7
Certificate	-	-	-	-	-	(1)	-	(1)
Baccalaureate	-	-	(2)	(4)	(6)	(6)	(2)	(6)
Social Work (Master's)	6	5	9	-	8	3	4	2
Total Recipients Approved: Academic Year	49	56	90	133	156	169	217	318
Biennium	105		223		325		535	
Rate of Increase Over 1963-65* Biennium	---		Doubled		Tripled		Quintupled	
Total Dollar Needs for Applicants to Complete Training: Academic Year	$184,650	$172,825	$250,704	$399,929	$401,708	$443,936	$681,292	$907,786
Biennium	$357,475		$650,633		$845,644		$1,589,078	

* 1965 General Assembly ratified a new law designed to increase incentive for loan recipients to provide services to areas of critical health manpower shortages.

PART IV

Recent Legislation

Several pieces of legislation passed by the 1971 General Assembly have long-range implications for the Commission's programs. Of primary importance is the *Hospital Facilities Finance Act (Chapter 597)*, a measure intended to provide alternate sources of capital for hospital construction as Federal support diminishes. The act permits the capital financing of nonprofit voluntary and public hospitals through tax-exempt revenue bonds issued by the Medical Care Commission. (For a discussion of this bill, please see page 12. Also significant in the area of medical facility construction was the passage of a Certificate of Need law *(Chapter 1164)*, to encourage the orderly and economical development of necessary and adequate health facilities. The new legislation provides for the issuance of a Certificate of Need from the appropriate State licensing agency for new construction, for construction increasing bed capacity, and for conversion of existing bed capacity to a different licensing category. In the case of hospitals, the certificate granting agency is the Medical Care Commission.

Among the health studies initiated by the General Assembly, one of particular importance is the investigation of the availability and effectiveness of emergency medical, hospital and transportation services. *Senate Resolution 827* directs the Legislative Research Commission to study thoroughly the existing resources for emergency care in the State and to formulate a state-wide emergency care system for consideration by the 1973 General Assembly.

In the area of appropriations, the 1971 General Assembly provided for the continuation of the administrative budget to support the Commission's programs on levels prevailing for the prior biennium. No appropriations, however, were made for State supplementation in medical facility construction. To continue the student loan program, $900,000 was approved to finance scholarships for students in medical and related fields. The Commission had requested $1,360,000. Only $300,000 of the appropriated amount can be used for new students, inasmuch as $600,000 is already committed for assisting students presently in the program.

The Commission's Advisory Council was increased from five to seven members in order to provide for consumer representation *(Chapter 134)*. This revision of *G. S. 131-120* is in accordance with new Federal legislation.

Of future significance to the Commission is the *Executive Organization Act of 1971 (Chapter 864)* which directs the consolidation of most of the State's agencies into several large departments. Virtually all of the present health-related agencies will eventually be merged in the new Department of Human Resources headed by a Secretary of Human Resources appointed by and reporting to the Governor. Initially, most of these agencies and their respective powers and responsibilities will be transferred intact.

The *Legislative Bulletin* of the North Carolina Hospital Association and the *Health Law Bulletin*, published by the North Carolina Institute of Government, served as sources for this section.

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